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Final Evaluation of the Lesotho Horticulture Productivity and Trade Development Project



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ACRONYMNS

CSS	Central Support Services
DAR	Department of Agriculture
DBIS	Division of Business and Institutional Support
DCP	Division of Country Programmes
DSQA	Department of Standards and Quality Assurance
DTIS	Diagnostic Trade and Investment Study
EC	Enterprise Competitiveness
EIF	Enhanced Integrated Framework
EPC	Export Production Cooperative
ES	Executive Secretary
FE	Final Evaluation
FFV	Fresh Fruit and Vegetables
FP	Focal Point
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GNI	Gross National Income
GoL	Government of Lesotho
HPTD	Horticulture Production Trade Development Project
IF	Integrated Framework
IFAD	International Fund for Agriculture Development
ITC	International Trade Centre
LDC	Least Developed Country
LNDC	Lesotho National Development Centre
MAFS	Ministry of Agriculture and Food Security
MC	Market Centre
MDG	Millennium Development Goal
MIE	Main Implementing Entity
MIE	Main Implementing Entity
MoU	Memorandum of Understanding
MSBCM	Ministry of Small Business, Cooperatives and Marketing
MTE	Midterm Evaluation
MTI	Ministry of Trade and Industry
MTICM	Ministry of Trade and Industry, Cooperatives and Marketing
NIU	National Implementing Unit
NSDP	National Strategic Development Plan
OA	Office for Africa
PM	Project Manager
PU	Planning Unit
SADP	Smallholder Agriculture Development Programme
SDG	Sustainable Development Goal
SME	Small and Medium-sized Enterprise
SMS	Short Message Service
TFM	Trust Fund Manager
ToC	Theory of Change
UNDP	United Nations Development Programme

EXECUTIVE SUMMARY

ES1. OVERVIEW OF PURPOSE AND SCOPE OF EVALUATION

1. This report is the Final Evaluation (FE) of the Horticulture Productivity and Trade Development Project (HPTD) in Lesotho, an Enhanced Integrated Framework (EIF) initiated and funded Project and implemented by the International Trade Centre (ITC). As a Least Developed Country (LDC) Lesotho benefits from EIF funding. The EIF Coordinator alongside the EIF Focal Point (FP) in the Lesotho Ministry of Trade and Industry (MTI) oversees both the Tier One and Tier Two projects, with Tier One focusing on the institutional capacity building aspects and Tier Two focusing on projects in line with the Lesotho Diagnostic Trade and Investment Study (DTIS), which was completed under the Integrated Framework (IF).¹
2. The project started on 13 October 2013 and was funded by the EIF Trust Fund, Tier Two, with a total budget of \$2,950,667 (USD) (comprised of \$2,735,685 from EIF and \$214,982 from the Government of Lesotho [GoL]). The project was implemented over a three-year period and was subject to a midterm evaluation, which resulted in a one-year no-cost extension to 31 December 2016. As agreed between the EIF and ITC, a final evaluation of the project was expected to commence before the project was concluded².
3. The final evaluation took stock of the results achieved by the project over its implementation span and identifies lessons learned for future ITC interventions in Lesotho and elsewhere. More specifically, the final evaluation:
 - Assessed the performance and results (including potential impact) of the project, in particular the support to intervention partners and beneficiaries in achieving project outcomes;
 - Assessed the progress of the implementation of the Midterm Evaluation (MTE) recommendations;
 - Identified lessons that can contribute to building better projects and programmes in the future, for sustainability and scalability of the interventions; and
 - Generated findings, and recommendations for ITC, and lessons useful for on-going and future similar ITC projects and programmes.
4. The recommendations are aimed at the improvement of the conditions, capacities and participation of producer communities through progress in the functioning of sectors' value chains, including exports.
5. The Final Evaluation (FE) sought to confirm whether the project achieved the objectives and outcomes as set out in the logical framework of the project. Specific focus was placed on the overarching objectives of this project, namely the strengthening of targeted sectors' competitiveness, promoting new business opportunities in domestic, regional and international markets and generating additional incomes and employment creation. While the achievement and delivery of outputs were assessed, the evaluation team also determined how and the degree

¹ See Annex 8.4 which contains further details regarding project coordination and management and information regarding the key ministries, MTICM (now MTI and MSBDM) and MAFS, who led the identification of project outputs and outcomes towards capacity building in areas that are aligned to their ministries' respective contributions to Vision 2020.

² The end-date of the project has been extended to October 2017. However, as this was not conveyed to the evaluation team, the evaluation remains within the scope as set out in the TOR (2013-2016), and it should be emphasised that this was the status of the project at the time of data collection in February 2017.

to which the project has empowered the targeted beneficiaries and built their capacity to use the ITC and other partners to obtain and leverage results.

6. The FE assessed all elements of the project’s design, implementation, and management, including processes, operations, and results. It covers the period from the start of project implementation to the present. The evaluation was based on the Midterm Evaluation (MTE) of May 2015 that found a well-designed and thought out project, that it is highly relevant and has the potential to have a significant positive impact on rural poverty and improve Lesotho’s export earnings. However the evaluators found, at the time, that the project was at risk of being undermined by political processes and instability at the strategic level. Incorrect procedures during project design, approval and initiation phases resulted in challenges that needed urgent attention in order for the project to progress as planned.
7. Out of the 12 MTE recommendations, seven were accepted, four partially accepted and one rejected³. The evaluation team found that three of the MTE recommendations were implemented with positive results; however the others were not, with negative effects on project delivery.

Table 1: MTE Recommendations, Management response and Management Implementation

MTE Recommendations	Management Response	Management Implementation
Recommendation No. 1: Renew the Project Document	Partially Accepted	Not done
Recommendation No. 2: Urgently find a market centre space	Accepted	Done
Recommendation No. 3: Replace LNDC with BEDCO in Project Document	Rejected	LNDC provided a suitable space for the Market Centre
Recommendation No. 4: Increased support for Mushroom Production	Accepted	Not done - mushroom production collapsed within project timeframe.
Recommendation No. 5: Increase the focus and push factors on all activities relating to Outcome 3 in order to ensure that Lesotho can provide internationally accepted SPS certification for mushroom and other vegetable exports.	Accepted	Done
Recommendation No. 6: Redesign the Organogram with clearer communication and reporting pathways	Partially Accepted	Not done
Recommendation No. 7: Provide Appropriate Support for Production Groups	Accepted	Partially done
Recommendation No. 8: Establish a local and national greenhouse farmer’s associations by connecting, coordinating and collaborating with the SADP and World Vision greenhouse projects.	Accepted	Not done
Recommendation No. 9: Establish a Revolving Loan Fund	Accepted	Not done. ITC in supported the decision by MAFS to setup revolving fund. These funds never reached the mushroom growers as the funds were diverted for food security reasons.
Recommendation No. 10: Make full use of the available budget to employ project assistant	Partially Accepted	Done
Recommendation No. 11: Improve M&E, Data Collection and Analysis	Accepted	Partially done

³ Midterm Evaluation Lesotho HPTD Project Management Response and Action Plan, dated 25 February 2016.

MTE Recommendations	Management Response	Management Implementation
Recommendation No. 12: Increase Use of Social Media	Accepted	Partially done

8. The partial acceptance of the MTE Recommendation 1 to renew the project document never translated into practical changes. The failure to renew the product document to reflect buy-in and consultation from all relevant stakeholders meant that the politicisation of certain project activities and assets plagued the project right to the end. Assigning responsibilities for project activities and ensuring proper follow-up became difficult in an environment where stakeholders did not feel properly consulted at inception, resulting in their not acknowledging ownership over the results of the project. Without the proper oversight and guidance from the National Steering Committee (NSC) or the Project Steering Committee (PSC), many activities fell by the wayside as each party assumed another would ensure implementation, or were simply not aware of their responsibility as contained in the project documentation.
9. There were significant problems in the design of the project in that it originated within the Ministry of Trade and Industry, Cooperatives and Marketing (MTICM) and was endorsed by the EIF, after which it was only presented to ITC for implementation. ITC should in future emphasise that its own due diligence processes in doing background research and planning do take place before it accepts a project at face value. It should further ensure that the stakeholders identified by Ministries and the EIF are committed to the project before accepting responsibility for it.
10. The FE found that the same problems that had a negative effect on the project at the time of the MTE continued during the course of the project, however, the Project Manager managed to circumvent some of the problems and ensured that a portion of the project was indeed implemented. The absence of an NIU for the larger part of project implementation contributed to a lack of coordination between Ministries. The limited uptake of improved monitoring and evaluation practices (MTE Recommendation 11) has meant that little reliable data on beneficiary incomes and livelihood improvements was collected throughout the project. Finally, the failure to increase support to the mushroom laboratory (MTE Recommendation 4) and ensure continuation of activities has resulted in the collapse of mushroom spawn production, negatively affecting project outputs and impact.
11. It should be noted that the time and budget available for the field research of the FE did not allow a random sampling process from which firm statistical inferences can be made. Nevertheless, both the size (about 20% of the project's 115 farmer-recipient both in the MTE and the FE) and the longitudinal character of the sample (roughly half of the respondents visited in the MTE were visited again in the FE) suggest that the purposive stratified sample selected should not be unreasonably unrepresentative. The percentages recorded in the report should therefore be regarded as indicative rather than authoritative.
12. The evaluation report will be made available by ITC to the EIF Executive Secretariat, the EIF Trust Fund Manager, the EIF Donor Facilitator (UNDP), and the EIF Focal Point who will share it with the Project Steering Committee for subsequent submission to the National Steering Committee.

ES2. MAJOR FINDINGS OF THE EVALUATION

ES2.1 ATTAINMENT OF THE OBJECTIVES OF THE HPTD

13. The overall objective of the HPTD was to contribute to Lesotho's sustainable economic growth, employment, food security, nutrition and poverty alleviation through building and strengthening capacity of smallholder producers to commercialise, diversify and promote production of Fresh Fruit and Vegetables (FFV) for domestic and export markets. The objectively viable indicators were outlined in the Project Document as: by 2015, knowledge gains and support services allow up to 17,500 small and medium-sized enterprises (SMEs) in the agro sub-sector to improve production and supply of good quality agro-products to the market, (an increase of) at least 75% (of agro-produce output) and their income (to increase) by 60-70% based on improved market access. The SMEs were understood to be farmers and their cooperatives. The direct beneficiaries of the project were estimated at 1,050 and that the various support projects by a number of donors would impact 17,500 SMEs.
14. There has been progress against the objectives of the project, but the numbers envisaged were not attained. There are two major reasons for the low impact numbers of the project. Firstly, greenhouse technology is costly and the project budget did not allow for large-scale procurement and deployment of greenhouses. The project was not going to achieve the impact targets through the greenhouse component alone and relied on the successful implementation of other components. Secondly, the collapse of mushroom production had a seriously negative impact on impact targets. Had more focus and emphasis been placed on the successful functioning of the mushroom laboratory, impact figures would be higher. Given the budget restriction and the focus on FFV over mushroom production, target number of beneficiaries should have been revised down.
15. Five detailed outcomes were outlined (see Table 2 below) in the Project Document to include:

Table 2: HPTD Project Outcomes

Outcome 1:	ES1. Enhanced skills and knowledge of smallholder farmers (SMEs) and their cooperatives in the use of appropriate technology in production of high-value FFVs;
Outcome 2:	ES2. <u>Masianokeng</u> Mushroom laboratory provides greater volumes of mushroom spawn for the ever growing demand for the spawn in Lesotho;
Outcome 3:	ES3. Strengthened capacity of the Department of Standards and Quality Assurance (DSQA) to deliver Quality Assessment support services to SMEs;
Outcome 4:	ES4. Strengthened consolidation/commercial market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets; and
Outcome 5:	ES5. Improved financial management skills among target farmers and capacity enhanced to repay bank loans.

16. Having so many Outcomes from one project is problematic and ITC should guard against designing projects that focus on a large number of intervention areas. Outcome 2 sits awkwardly with the other Outcomes, making the project logic difficult to follow and implement.
17. Although the large numbers of beneficiaries, as envisaged by the project document, were not reached, the HPTD largely achieved Outcome 1. A total of 115 greenhouses were distributed and most (an estimated 80%) produce sufficient quantities of high quality output to encourage and

enable their owners to continue production, thereby alleviating poverty and improving nutrition and food security for themselves and for neighbouring villages. Out of the 89 individuals that received a greenhouse, the HPTD project records show that 29 were female (33%). The FE found that the choice to give greenhouses to individual beneficiaries rather than cooperatives was the right decision given that production cooperatives tend to fail globally and that agricultural production cooperatives are generally weak in Lesotho in particular.

18. Outcome 2 has encountered a significant stumbling block due to the drought and above normal temperatures recorded in 2015, but the mushroom laboratory is expected to return to production by latest mid-2017 and supply thousands of farmers with mushroom spawn. It is estimated that the majority of these are women who rely on mushroom production to supplement income earnings. A lack of data means that no reliable figures can be reported here.
19. Outcome 3 was achieved as capacity and understanding at DSQA has been enhanced. It is clear that DSQA officials now understand the full range of standards and quality assurance tests and tools they will need to adopt in order to establish a Lesotho Bureau of Standards and be able to self-test and certify their own produce without relying on South African assistance. (However, they remain far off being able to establish such a bureau and to ensure that farmers adhere to food safety practices. These objectives were not HPTD objectives but Lesotho will have to aim to achieve these for training to remain relevant.)
20. Outcome 4 remains unattained. Although the Market Centre has been set-up and equipped with impressive modern and comprehensive equipment to become a state of the art processing, packaging and distribution centre, it remains unused in the absence of a business plan and the appointment of an operator. The evaluation team has significant concerns regarding the sustainability of the Market Centre as Lesotho seemingly does not produce sufficient produce to make the centre profitable. This significant risk to the successful operationalisation of the Market Centre was never identified during the design phase of the project.
21. Activities under Outcome 5 were not implemented but financial knowledge was given to the farmers under the training given by Amiran during the three month set-up period as well as via the project. More than half of the farmers visited in the FE reported that they now kept some form of financial records. While it was not possible to evaluate the quality of these records, the low rate of attrition from the project suggests that most greenhouse owners felt sufficiently certain that they were making enough net income for it to be worth their while to continue production. In all likelihood, the quality of financial record-keeping would not have facilitated the raising of credit from financial institutions for most farmers. But this is made largely irrelevant by the strong cash flow that even moderately well-operated greenhouses generate, if working capital for the first cycle of crops is built into the start-up grant. No farmers reported having to try to borrow working capital from banks to produce succeeding cycles of crops. If farmers want to step up production to the extent that they are able to fully supply the Market Centre's throughput capacity, they would probably have to borrow money to procure additional greenhouses and/or hail nets and most would find accessing commercial credit difficult.

ES2.2 ASSESSMENT OF THE EFFECTS OF THE HPTD

22. The effects of the project are presented, below, for each evaluation category required by the terms of reference (TOR). An overall conclusion on the effect of the project is presented together

with related recommendations. In addition to the findings, a six-point scale has been used to rate each evaluation criterion (relevance, effectiveness, efficiency, potential for impact, and sustainability), as well as a composite rating for the overall project performance and results. The ratings are backed by evidence and explanations based on observations and analysis. Each rating is adapted to the accompanying criterion and defined below in Table 3. It should be noted that the rating for the overall performance and results is not an arithmetic average of the individual ratings. Appropriate weight has been applied in line with the focus of the operations and the operational context.

Table 3: ITC Six-Point Evaluation Rating System

<i>Six-Point Rating System</i>	
6 Highly satisfactory	A project with overwhelmingly positive results, and no flaws.
5 Satisfactory	A project with some strong results, and without material shortcomings.
4 Moderately satisfactory	A project with a clear preponderance of positive results (i.e., it may exhibit some minor shortcomings though these should be clearly outweighed by positive aspects).
3 Moderately unsatisfactory	A project with either minor shortcomings across the board, or an egregious shortcoming in one area that outweighs other generally positive results.
2 Unsatisfactory	A project with largely negative or unattained results, clearly outweighing positive results.
1 Highly Unsatisfactory	A project with material negative or unattained results and with no material redeeming positive results.

23. For scoring purposes the evaluators decided to split the HPTD project into its productivity enhancement and developmental components on the one hand and the trade development component on the other as the outcomes achieved in these two areas differed dramatically. A score is given for each outcome under each evaluation criteria for the two aspects and then a mean score is calculated per outcome per evaluation criteria as well as an overall score for the evaluation criteria. The overall score of the project is the mean of the evaluation criteria scores. In each case the evaluators rounded the scores down. Whereas the productivity and development components were substantially achieved with good results, the trade development components remain largely unachieved. The overall score for the HTPD is a (2), which shows that the outcome has been unsatisfactory. The HPTD has therefore been a project with largely unattained results unfortunately outweighing the positive results achieved. The details are discussed below.

RELEVANCE

24. The FE, like the MTE, has found that the project, on a whole, is relevant and gives it a moderately unsatisfactory score of (3). The final evaluation has come to the conclusion that the project design, although in direct alignment with Lesotho national development objectives, was over-ambitious. There is an absence of a thorough preliminary feasibility study, focusing, among others, on the likely competitiveness – or lack thereof – of Lesotho FFV exports in the South African and other external markets. There was also an absence of adequate baseline data. Both should have formed part of the project design phase. In addition, some aspects of project

conceptualisation and design, including the development of export links to South Africa, have challenges in remaining relevant given the modest progress to date and political instabilities in Lesotho. The project remains in line with the general development needs of Lesotho. These are outlined in the Lesotho National Strategic Development Plan (NSDP) 2012/13 – 2016/17 and the Lesotho Vision 2020.

25. The extent to which the project addresses the needs of its target beneficiaries (horticulture farmers) remains high and relevant. Increased participation and income for smallholder horticulture farmers is pivotal in contributing to poverty alleviation in Lesotho. Evidence has shown that the continuous expansion of the greenhouse production is making a positive impact, although there is now some evidence of market saturation. The effective functioning of the mushroom laboratory and the supply of mushroom spawn to farmers is particularly relevant for poverty alleviation, especially amongst urban women who rely on mushroom production to support income generation.
26. The HPTD project aligns with the overarching objective of ITC in contributing to the achievement of the Sustainable Development Goals (SDGs) for Lesotho.
27. With regards to the objectives and activities of other relevant development partners, the HPTD has high relevance to the World Bank and IFAD funded Smallholder Agricultural Development Programme (SADP). SADP (2012-2018) is a matching grant scheme that aims to increase the marketed output production of smallholder farmers in Lesotho. A number of synergies and potential areas of collaboration exist between the two projects such as the Market Centre, building of apex farmer organizations, capacity building activities, lesson learning and coordination around input supply. Although these have not been formally identified during the HPTD, or exploited by HPTD project implementers, the ITC should take note of these especially during the operationalisation of the Market Centre.

EFFICIENCY

28. Efficiency was evaluated to be unsatisfactory with a score of (2). The project was evaluated to be efficient in the procurement of greenhouses and hail nets. One area where more rigorous procedures could have been followed is in the selection of farmers and cooperatives for greenhouse distribution. Although good selection criteria were used for choosing beneficiaries, some were judged subjectively on extent of enthusiasm and passion and not necessarily their farming skills/ability. This is partly responsible for a number of dropouts (about 10%) who found other jobs in town.
29. Contracts between the beneficiaries and the project were not signed. This meant that there was no legal disincentive for beneficiaries not to utilize the greenhouses. Greenhouse sites were also not selected based on proximity to each other and many are scattered throughout remote districts. This provides a challenge when it comes to bulking and transport of product, making it expensive and uncompetitive to get the product from the farm to the Market Centre.
30. In the management of the HPTD the project efficiency depended on the inter-relationships between the relevant ministries. The political landscape in Lesotho is highly contested, resulting in numerous fall-outs between ministries, reshuffling of senior personnel and an uncertain environment within which to operate. The efficiency also depended on the time of implementation, as there was a period during which the Ministry of Agriculture and Food Security

(MAFS) had withdrawn from the HPTD impacting negatively on the efficiency of the project. The failure to sign a Memorandum of Understanding (MoU) between the Chinese and Lesotho governments also impacted negatively on the efficiency of the mushroom laboratory, as funds dried up during a critical period of mushroom production.

31. The fact that vehicles were procured for the project but never used during the lifespan of the HPTD is testament to the deep impact political infighting can have. These all had negative impacts on the efficiency of the project.
32. Detailed financial reports of the HPTD were not shared with the evaluation team. It is, therefore, difficult to make an assessment on financial efficiency. There was a lack of oversight over the project evidenced by the NSC not having met since the MTE. This failure impacted on the efficient implementation of the project.

EFFECTIVENESS

33. Effectiveness was evaluated to be unsatisfactory with a score of (2) as the project had largely unattained outcomes results, clearly outweighing positive results. As under the efficiency evaluation, the areas that score very low are due to the fact that a number of activities have not been implemented as yet.
34. The HPTD provided greenhouses to 115 farmers, of which 89 were individuals and of these 33% were women. Three out of 20 greenhouses visited during the FT were not performing well, with the remaining being able to produce and sell their vegetables. Within the limitations of the sampling process, this suggests that around 85% of the 115, or between 90 and 100, have adopted the production technology effectively. The FE views this as a major achievement and a good return on the capital invested.
35. The mushroom laboratory was on the right track but had a severe set-back due to inertia in rekindling production at the laboratory. The skills developed to produce mushroom spawn are currently not being utilized.
36. DSQA fulfilled all of their activities related to the project, but they are not well-positioned to supply to markets that require certification.
37. The HPTD was effective in finding a Market Centre site in collaboration with the Lesotho National Development Centre (LNDC). The site visited has been developed on an impressive scale, with washing facilities and two large cold storage facilities, vegetable preparing stations, including a peeler and a dicer, packaging machines, forklifts, a staff canteen and offices equipped with five computers, printers, servers and office furniture. There is concern that this centre might be too big for the quantities currently being produced by Lesotho farmers. Apparently the business plan for the centre envisages a private sector operator to take over the running of the centre and that such an operator might attract produce from South Africa's border towns for processing. However, this remains a large unknown and only a full operationalisation of the centre will show whether it can run at optimal cost levels.
38. Neither the Project Steering Committee nor the National Steering Committee has met since the MTE. At the time of the MTE it was felt that these two bodies were important to revive and use as stakeholder consultation forums as well as oversight bodies. The project was implemented regardless of the lack of meetings. It further became apparent that key units within MTI were

unaware of project details, indicating a major lack of communication between ministerial departments. This has resulted in some delays in activities and confusion on roles and responsibilities clearly having a negative impact on the effectiveness of the project.

39. The logical framework did not remain an active document during the lifespan of the HPTD, changes were never formally recorded nor the logical framework updated. This omission impacted negatively on the effectiveness of the HPTD as the implementation team did not have a clear guiding tool to plan against nor the evaluation team to evaluate against.

IMPACT

40. The evaluators found that the impact of the HPTD to be unsatisfactory and scores this area a (2). This is a project with largely unattained planned positive impacts.
41. The impact of the HPTD project has to be assessed at the level of the beneficiaries but also at the level of stakeholder capacity. The greatest impact of the HPTD project has been on 115 farmers and their cooperatives and associations to produce horticultural output. Being able to produce horticultural products has led to cash income for farmers that previously had very little. It is the evaluation's estimate that the typical monthly net income from a greenhouse is around M1,000⁴ or \$80 (USD), although about one third of farmers have earned substantially more – typically around three times as much.
42. The impact has also been seen in local contractors being trained and equipped to help install greenhouses and farmers and staff of the HPTD being able to offer advice and training to fellow farmers outside the ambit of the project. It is the evaluation's conclusion that real capacity development has taken place beyond greenhouse recipients. While the greatest weakness of the project has been the variable and unpredictable participation of government, evidence of the sustainability of the project is that most greenhouse recipients have been able to generate good incomes without the help of government.
43. The mushroom laboratory arguably also had an initial very positive impact on both local capacity to man the laboratory, and to contribute to the continuous production and sale of mushroom spawn. However, the project failed to reproduce spawn for over 13 months, partially due to the fact that MAFS had no budget to spend on the laboratory.
44. Knowledge has been created within the Department of Standards and Quality Assurance (DSQA) – the department noted that DSQA staff had no idea regarding the breadth and depth of international standard requirements before the implementation of the HPTD project.

SUSTAINABILITY

45. The evaluators found that the sustainability of the HPTD to be unsatisfactory and scores this area a (2). The sustainability of this project shows largely unattained results, clearly outweighing positive results. Sustainability is found within Outcome 1 but it weakens in the other Outcomes.
46. There are significant concerns regarding the sustainability aspect of the HPTD, although limited to a few areas. The core activity of greenhouse production is expected to remain sustainable as farmers have been able to produce continuously even without government support services. In the absence of Amiran (the Kenyan company that supplied the greenhouses and training to the

⁴ The Lesotho currency is called a Loti or Maloti (plural). The abbreviation used is M. The Loti is pegged at 1:1 to the South African Rand (ZAR).

farmers) and with MAFS extension officers having had little training in Amiran's techniques, one could argue that greenhouse farmers' skills will gradually deteriorate. But it can also be argued that farmers generally learn by trial and error and that there is considerable support to be gained from local suppliers of inputs, exchange of knowledge between greenhouse producers through their informal face-to-face and virtual networks and even, in some instances, through continued contact with Amiran by cellphone, WhatsApp.

47. There are significant concerns regarding the sustainability of the Market Centre given the very low volumes of FFV currently being produced within Lesotho that could benefit from the centre. Seeing as the centre has not been operationalized, it is difficult to draw any further conclusions here.
48. No exit strategy or sustainability plan was shared with the evaluation team. These are still being developed during the final extension period of the project, which should last until September 2017.

ES3. LESSONS LEARNED AND BEST PRACTICE

49. The HPTD project had a number of experiences and lessons learned that have relevance and applicability to other ITC projects and programmes in Lesotho and beyond. The lessons presented below highlight the strengths and weaknesses project design and implementation.
 - a. **Project Design** - The MTE highlighted that all relevant partners (EIF, NIU and government departments – MTICM and MAFS) need to be on board during project design, approval and implementation. The omission of MTICM's planning department as well as of MAFS and its planning department during the writing of the project proposal and the further omission of approval from the MNDP's Project Appraisal Committee (PAC) resulted in a breakdown of the relationship between key implementing partners, MTICM and MAFS for the duration of the project. Although in recent months relationships seem to have been repaired, this situation has negatively impacted the implementation of the project. The FE has also found that ITC should form part of project design and should ensure the buy-in of all key stakeholders before assuming responsibility for project implementation.
 - b. **Theory of Change and Risk Management** – The project design did not fully consider the underlying assumptions around political and macroeconomic stability and the extent to which instability would damage project implementation. Lesotho's political fluidity has been a reality for a number of years now and no recognition was given during the project design that this could pose a serious threat to the implementation of the full HPTD. No mitigation strategies were formulated in the event of a break-down of political relationships and the effect this might have on parliamentary processes. Without a Standards Act the HPTD Project capacity building work at MTICM DSQA might well not result in Lesotho being able to export FFV given the lack of legal framework for standards certification.
 - c. **Use more explicit Market System and Value Chain Analysis** - Understanding the value chain and wider market system before committing to activities and partners is important. While this can never anticipate everything, it does however mean that someone should be addressing each part of the value chain. If that agent is not project management, it is at least the job of the project to understand which agents are capable of addressing barriers to success. The lack of access to high quality inputs, extension support and transport for farmers means that

activities, as they stand, lead to sub-optimal results. From a higher-level/ITC viewpoint, the wider market system and economic development factors should also be factored in so that there is a sufficiently ambitious, but realistic vision to overcome structural barriers and not perpetuate a sub-optimal system.

- d. **Sequencing of activities** – It is important to get the sequencing of activities right. In the HPTD project there were instances where the sequencing of activities seemed to be counter-logical. For instance, at the time of writing this report, a business plan for the Market Centre had not been developed and it remains to be seen whether it can be profitably run by either a public or private sector player. Nevertheless the equipment and physical infrastructure have been procured and put in place. Currently the Market Centre is sitting idle. Although building the capacity of the DSQA to conduct product inspection is an important activity, it seems premature in light of the reality that farmers are not close to exporting at scale. Focus should rather have been directed to increasing extension support and to the training of farmers to meet standards.
- e. **Investing in Due Diligence and Contracts** - Investing in a thorough due diligence process prior to greenhouse distribution or beneficiary selection is a necessary step to ensure the efficient use of funds. Going forward, it is suggested that a deeper due diligence process is conducted as opposed to the ‘light touch’ approach used in this project. This should be coupled with contractual obligations being clearly laid out and signed by all parties.
- f. **Focus on Individual Farmers rather than on Cooperatives** - It was clear from discussions with numerous stakeholders that agricultural production cooperatives in Lesotho are weak and have a high failure rate (about two out of every three cooperatives). Greenhouse production is difficult in a cooperative structure where the likelihood of free-riding behavior by members is high. Training on organizational development, incentive structures, governance and record-keeping are important to help increase the likelihood of sustainability. Individual greenhouse farmers have proved to be a lot more successful in this project.
- g. **Invest in Monitoring and Evaluation (M&E) from Inception** –A lack of a baseline qualitative and quantitative data on progress has limited the ability of the project to accurately report on impact. Furthermore, an effective M&E system plays a vital role in ensuring that project activities work towards achieving targets.
- h. **Having a contingency budget line** – The mushroom laboratory failed to restart operations after the heatwave destroyed the spawn. Had the HPTD project had a contingency budget line it would have been able to restart production immediately and not have left the large group of women farmers in the lurch.

ES4. CONCLUSIONS AND RECOMMENDATIONS

- 50. The overall conclusions, based on the evidence gathered during the final evaluation and the resulting recommendations are presented below. In sum, the HPTD received an unsatisfactory score of (2).
- 51. The FE conclusion agrees with the MTE that the HPTD was a well-designed and thought out project, that it was highly relevant and had (and still has) the potential to have a significant positive impact on rural poverty. However, it points out that the design of the project was not entirely suitable to Lesotho given the low-base that horticulture production and trade

integration was at. The fault lies in the designers of the project not having commissioned a market study or having established baseline data. The expected outcomes were too high resulting in few objectives being reached and a low overall score for the project.

52. Whereas the FE found that the farmers are still a long way off from exporting their produce, with consistent effort and coordination via the Market Centre, it is hoped that the project can in the future make a significant positive impact on Lesotho's export earnings. The FE did conclude that significant concerns remain around the operationalisation of the Market Centre. The FE found, like at the time of the MTE in May 2015, that the impact of the project was partly being undermined by political processes and instability at the strategic level. Incorrect procedures during project design, approval and initiation phases resulted in challenges that proved difficult to address during the final stages of the project and that they had a lasting negative impact on the project and its outcomes. The most critical of these was the lack of acknowledging responsibility by stakeholders for implementation of certain activities, the lack of training given to the MAFS extension officers and the unavailability of vehicles procured under the project for extension officers to visit recipient farmers.
53. The progress made by the beneficiary farmers in the MTE and FE samples was encouraging to see. The field phase of the evaluation included a substantial number of beneficiary farm visits and in most greenhouses (about 80%) good to excellent fresh produce was found. Hearing that the project has made a lasting positive impact on poverty alleviation for these farmers ensured that the evaluators conclusion is that this project had some very good results in respect of the horticulture production aspect of the project.
54. The evaluation team was struck by the visible positive impact of the project design that allowed beneficiaries to produce a full harvest without having to borrow funding or put much of their own savings towards the project. The benefits included that most farmers were never out of pocket and that the training received on financial literacy ensured that they saved enough of their first harvest income to procure seeds and other inputs for the second harvest.
55. The evaluation team was, however, disappointed to find the mushroom laboratory in a derelict and dirty state when visited during the field phase of the FE. The slow response rate of MAFS to address the situation at the laboratory was frustrating to witness as well as the fact that workers at the plant made no effort to prepare for future spawn production activities by not even maintaining the greenhouse necessary for substrate production. It was encouraging to hear that the Ministry of Finance would probably in the next financial year approve a budget for the laboratory. This could ensure the sustainability of mushroom production, which had become an important income generator and source of nutrition for thousands of poor Basotho. It was also comforting to hear that the capacity of local officials had not been lost and that they would be able to restart production as soon as seed spawn arrives.
56. The evaluators also found that the project had opened the door for Lesotho to establish a Bureau of Standards and that training received by DSQA and the farmers had sensitised them to the breadth and depth of standards necessary for export of fresh produce. Although this training has not resulted in actual exports, it is the FE finding that DSQA is now well placed to take this process forward.

57. The field phase of the FE also included a visit to the Market Centre site where the evaluators found a state of the art processing, packaging and distribution centre that is equipped with modern technology. The operationalisation of the plant is still outstanding but it is understood that ITC is in the process of developing a business plan that will see a private sector operator taking over the Market Centre. The evaluators - having seen the market centre and the volumes produced by the greenhouse recipients, as well as being made aware of significant transport constraints - have deep concerns regarding the sustainability and profitability of the centre.
58. These findings have led to the recommendations that pertain to activities that can still be effected under the extension of the project, namely that derelict greenhouses and unused hail nets should be redistributed to well-performing beneficiary farmers as they have a sound understanding of greenhouse farming and would be able to scale up, which will become necessary in order to ensure the profitability of the Market Centre. It is also a strong FE recommendation that the vehicles procured under the project be transferred to MAFS so that extension officers can visit greenhouse recipients, or that the vehicles are made available to the Market Centre in order to ensure that produce can be fetched from farmers.
59. The recommendations made to ITC and the EIF include being part of project design and following correct in-country procedures at the start of a project, even if this means lengthy initial delays. In politically volatile countries, government functionality remains a critical factor that ITC should take cognisance of and see as a valuable indicator of the likelihood of a project being implemented correctly.
60. ITC should further spend resources on doing in-depth feasibility studies ahead of project design in order to ensure that a thorough, in-country knowledge is reflected therein. Such studies can then also be used for the development of baseline data against which the MTE and FE can evaluate the project.
61. Due diligence should always be followed. Also, recipients of assets should understand their rights and obligations, under such a project, even if the obligations were determined as only having to make active use of a greenhouse. Legal recourse and jurisdiction should be clearly outlined as well as remedial actions for farmers that do not fulfil their side of the agreement.
62. Development projects should allow for some follow-up activity by independent evaluators in the period between the MTE and the FE to ensure that recommendations are in fact being implemented. A final evaluation comes too late to then insist that recommendations be implemented. This would also give the Project Manager another opportunity to engage with independent observers that can highlight bottlenecks or remedial actions that might not seem obvious to a person caught up in the day-to-day running of the project.
63. In sum, the FE finds that ITC tried to effectively and efficiently implement the HPTD, but encountered significant problems that pertain to the political climate in Lesotho and non-functioning EIF structures. It struggled with a project design that was over-ambitious for Lesotho horticulture producers and government DSQA department that started from a very low base at the outset of the project. Very good results were achieved in terms of horticulture production but few positive results emanated from the trade development aspect of the project. This should give ITC cause to ensure that in future projects and programmes realistic assumptions

are made about the base from which implementation occurs and about potential trade development and export impact.

64. There are a number of actions that can still fall within the final extension of the project. These recommendations are directed towards the Office for Africa, ITC, in Table 4 below and a series of general recommendations to ITC with regards to future project and programme design which are similar in enhancing value chains development, in Table 5 below.

Table 4: Recommendations that fall within the final extension of the project

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
1	Given the large number of activities that have not taken place, and the number of outputs not produced, as of time of the evaluation (May 2017), in order to achieve the project outcomes there will be a need for additional time.	Table 13	1. It is recommended that the Project Manager should approach the EIF and apply for a no-cost extension to the end of 2017 in order to allow for sufficient time to complete the outstanding project activities, and produce the outputs, which are required in order to achieve the project outcomes. In addition, all activities, and outputs should be closely monitored and reported in a timely way. Action by: Project Manager based at ITC Headquarters in Geneva.
2	Vehicles procured under the HPTD project have never been used for their intended purpose. These are currently standing in the Ministry of Trade's garage. The evaluation found a few farmers – mostly in remote areas – that, due to transport difficulties, are not able to sell their produce other than to the local community. Because the sample was unable to include a proportional representation of such farmers, the percentage of greenhouse recipients experiencing this constraint is uncertain. The lack of extension services offered to greenhouse recipients is blamed partly on the lack of transport within MAFS.	MTE and FE interviews. Paragraphs: 30, 51, 57, 121, 145, 183, 190	2. It is recommended that the Project Manager based at ITC headquarters should enter into discussions with the Ministry of Trade and establish and understanding to make available the vehicles procured by the Horticulture Productivity and Trade Development (HPTD) Project. It is recommended to make them available to either MAFS - in order to allow extension officers to reach farmers in remote areas – or to the Market Centre - to assist farmers to bring produce to market. Action by: Project Manager based in Lesotho, the National Steering Committee (NSC), and the Project Steering Committee (PSC), in conjunction with the Enhanced Integrated Framework National Implementing Unit (EIF NIU)
3	The Sustainability and Exit Plan is still being developed. Ideally the NSC should have a role to play here. Although the project did foresee the need for continued extension services, MAFS was not adequately trained for a number of reasons explained in the FE. HPTD	FE Paragraph: 146 MTE and FE Paragraphs: 62, 152	3. Project Management is recommended to accelerate the Sustainability and Exit Plan, in coordination with the NSC, to pave the way for sustainability and a relationship with Lesotho extending beyond this project. Development

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
	recipients also need quality input supplies. Project partners and beneficiaries would benefit from follow-up support after the closure of the project in order to ensure sustainability.		partners like the World Bank could be brought on board to give this type of support. Action by: Project Manager in Geneva, with Project Manager in Lesotho and the NSC

Table 5: Recommendations concerning future similar value chain development projects

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
1	<p>Throughout the implementation of the HPTD there was a lack of adherence to official project documents, including the logical framework found in the original project document (ProDoc), the midterm evaluation, and the management response to the midterm evaluation. Activities and outputs were changed or deleted from the logical framework informally.</p> <p>The changes to the logical framework have contributed to the difficulties in determining the actual financial costs of the project, particularly at the output level. This problem was compounded by the fact that no financial records were presented to the evaluation team making it impossible to account for funds originally allocated for certain activities.</p> <p>The midterm evaluation (MTE) managed by the Independent Evaluation Unit did allow ITC to gain an independent view of progress and problems of development projects. Whereas the MTE made some very important and decisive recommendations many were simply ignored. A final evaluation comes too late and no corrective action can be taken.</p>	<p>Table 13</p> <p>Management response to MTE</p> <p>Paragraphs: 7, 32, 37, 41, 48, 112</p>	<p>1.1. It is recommended that when changes are made to the logical framework as stated in the original project document, these changes be done in a formal process and circulated to all key stakeholders for accountability purposes. Changes made to the logical framework should be accompanied with a revised budget.</p> <p>Action by: Executive Secretariat of the Enhanced Integrated Framework (ES), and Trust Fund Manager (TFM) and the Main Implementing Entity (MIE).</p> <p>1.2. When a project has been subject to a midterm evaluation (MTE), the Chief of the MIE responsible section is recommended under the supervision of the Director, to conduct a follow-up visit or management review 6- 12 months post MTE to give an opportunity to evaluate whether MTE recommendations are in fact being implemented and assess the effects thereof.</p> <p>If the management response is to ignore a recommendation there has to be clear feedback to superiors and the Independent Evaluation Unit.</p> <p>Action by: ES, TFM and MIE</p> <p>1.3. If revisions are to be made to the Management Response, particularly to the status of acceptance to recommendations issued in a MTE, this should be agreed upon by all stakeholders who agreed to the initial Management Response, and</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
			<p>communicated to all key stakeholders.</p> <p>Action by: EIF, TFM and MIE</p>
2	<p>Numerous risks, which were anticipated in the project document prior to project implementation, were experienced during the life cycle of the project.</p> <p>Aside from the risks posed by the political climate, changes were also made to the EIF structure and governance of the project. Some elements fell away as the National Steering Committee (NSC) and the Project Steering Committee (PSC) did not meet after the MTE.</p> <p>The MTE noted the lack of clear organogram and reporting lines and recommended (Recommendation 6) that these be drawn up, which although accepted, was not addressed. This failure resulted in a continuation of muddled project governance and no clear reporting. It is worth noting that reports received by the FE team were drawn up after February 2016 and amended to show different outcomes. The lack of financial reports shared made it impossible for the evaluation team to assess whether resources were allocated strategically or whether funds were released timeously and efficiently. Questionable reporting is the result of poor governance and oversight.</p> <p>Communication was poor or even absent between the MIE and all the stakeholders involved. A key government department was completely unaware of progress made or difficulties encountered. Political support waxed and waned given the difficult political climate during the implementation years with numerous changes in government.</p> <p>Lack of baseline data and subsequent gathering of data made it very difficult to evaluate the project against impact.</p>	<p>MTE</p> <p>Paragraphs: 10, 18, 24, 28, 29, 30, 32, 49(a)(b)(d)(g), 51, 85</p>	<p>2.1 When a project has experience at least half of the risks identified in the project document, which have an adverse effect of the project's theory of change, and threatens the success of the project, the project should be temporarily halted or completely aborted, and this should be communicated to all key stakeholders.</p> <p>Action by: ES, TFM and MIE</p> <p>2.2 There should be follow-up after the MTE to ensure that recommendations are implemented or where failure to implement occurs the project should be temporarily halted or completely aborted following an in-depth emergency council involving all stakeholders but especially the NSC and the PSC.</p> <p>Action by: ES, TFM, MIE, NSC and PSC</p>
3	<p>The HPTD suffered from delays and misunderstandings between stakeholders. Evidence gathered for the MTE and subsequently confirmed during the FE suggests that correct governmental procedures in developing</p>	<p>Detailed background was given in the MTE, which was followed up by interviews during the FE field phase.</p>	<p>3.1. The EIF Country Coordinators of future projects aimed at connecting producers to international value chains are recommended to follow in-country procedures at the outset of the project and follow through</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
	<p>and signing a donor project were not followed for the HPTD. This should be seen against the backdrop of a volatile political situation where slights or perceived offences can result in large fall-outs. ITC tried to push through the project by soliciting buy-in from the various stakeholders and although on surface this did have the desired result in the project being initiated, the fall-out would consistently affect the implementation of the HPTD. ITC also made a political blunder in appointing the Project Manager without sufficient consultation or endorsement, resulting in a difficult environment for her to operate in. This was evidenced by weak integration into the MTI and the fact that the Ministry did not want to find office space, furniture or any form of assistance for her.</p>	<p>Paragraphs: 7, 11, 37, 48, 129, 150, 186</p>	<p>with these processes including mandating regular national and Project Steering Committee (PSC) meetings (composed of representatives from all participating Ministry departments, the Main Implementing Entity [MIE], and the National Implementation Unit [NIU]).</p> <p>Action by: Executive Secretariat of the Enhanced Integrated Framework (ES), and Trust Fund Manager (TFM).</p> <p>3.2. It is recommended to verify at project design stage that future projects aimed at connecting producers to international value chains provide for an M&E function in the country is adequately capacitated (including an earmarked budget).</p> <p>Action by: ES and Beneficiary Country</p> <p>3.3. It is recommended to verify at project design stage that future projects aimed at connecting producers to international value chains entrust Project Steering Committees (composed of representatives from all participating Ministry departments, the Main Implementing Entity [MIE], and the National Implementation Unit [NIU]) with a rigorous monitoring and evaluation (M&E) mandate to receive and validate regular reports with corrective recommendation capacity.</p> <p>Action by: ES and Beneficiary Country</p>
4	<p>The evidence contained in the MTE as well as the FE shows that the horticulture productivity component of the HPTD was highly successful. However, the trade development component largely failed.</p> <p>Given that it was the International Trade Centre implemented the project, this failure seems more acute. There was no rigorous feasibility study preceding the development of the HPTD. If such a study had been done with economists, country experts as well as export</p>	<p>MTE and FE</p> <p>Paragraphs: 23, 50</p>	<p>4.1. Future projects aimed at connecting producers to international value chains are recommended to conduct an in depth feasibility study of realistic expectations for trade development and export possibility. This should preferably precede any project being developed.</p> <p>Action by: ES in consultation with the EIF Board</p> <p>4.2. It is recommended that the Main Implementing Entity (MIE) of future</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
	<p>development experts, the project would have benefitted from baseline data from which to evaluate the project and the low base from which Lesotho horticulture farmers were starting would have been recognized. Lesotho's general competitive advantage above that of its neighbour or other Southern African countries would have been assessed in such a study, which would have given more insight into which produce to focus on and on the development of a proper marketing strategy for the selected supported product. Lesotho could well market itself as a good location to grow deciduous fruit given its cold climate and clean water.</p>		<p>projects aimed at connecting producers to international value chains use this feasibility study to develop baseline data against which the project intervention can be monitored.</p> <p>Action by: MIE</p>
5	<p>A number of greenhouses have fallen into disuse with their owners having found other high income generating positions.</p> <p>The greenhouse recipients were given a very valuable asset without any contractual obligation, as the project never signed any agreement with them. Due diligence has to take place before activities commence, right at beneficiary selection, with proper documentation of decision-making processes, right up to creating and understanding with recipients that they are responsible for production, with corrective measures been put in place if they fail to do so for a determined period of time. There are a number of greenhouses that have now become un/underutilized that should be appropriated and redistributed but no legal foundation exists for such action.</p> <p>In the case of greenhouses, easier relocation would have been made possible by placing 'sleeves' in the concrete foundations for the metal poles that provide the framework for greenhouses, to allow the poles to be withdrawn easily in the event of relocation. (The wire bracing on the exterior of greenhouses would continue to provide stability in windy conditions.)</p>	<p>Field visits</p> <p>Paragraphs: 28, 116</p> <p>Interview for the FE</p> <p>Paragraphs: 48, 60, 186</p>	<p>5.1 It is recommended that the distribution of assets is based on a transparent selection criteria, with roles clearly identified, and guidelines put into place in order to ensure they are used successfully.</p> <p>Action by: ES, TFM, MIE, NSC and PSC</p> <p>5.2 It is recommended to ensure that due diligence is in place for recipient selection and for transfer of assets being subject to project beneficiaries' commitment to use the asset with clear legal jurisdiction outlined. It is furthermore recommended to ensure that technological adaptations are implemented to allow for easy relocation or use of assets being transferred to project beneficiaries.</p> <p>Action by: MIE</p>

1. INTRODUCTION

65. This is the report of an independent final evaluation of the International Trade Centre's (ITC) Horticulture Productivity and Trade Development (HPTD) Project in Lesotho. The HPTD project is an Enhanced Integrated Framework (EIF) initiated and funded project. As a Least Developed Country (LDC) Lesotho benefits from EIF funding. The EIF Coordinator in the Ministry of Trade and Industry (MTI) oversees both the Tier One and Tier Two projects, with Tier One focusing on the institutional capacity building aspects and Tier Two focusing on projects in line with the Lesotho Diagnostic Trade and Investment Study (DTIS), which was completed under the Integrated Framework (IF).⁵

1.1. BACKGROUND AND CONTEXT

1.1.1 LESOTHO OVERVIEW

66. The Kingdom of Lesotho is a landlocked country located in Sub-Saharan Africa completely enclosed by South Africa. It is the smallest country in Southern Africa, with an approximate area of 30,355 km², and is particularly dependent on South Africa for almost all imports and exports. Lesotho's population is estimated at 1,942,008 as of July 2014 with approximately 40% of the population living below the international poverty line.⁶ In the 2013 United Nations Human Development Report⁷, the country ranked very poorly at 158th out of 186 countries in terms of its Human Development Index value. The ranking highlighted problems in Lesotho including the low life expectancy at birth, low level of average education and low Gross National Income (GNI) per capita.

67. In 2012, the Gross Domestic Product (GDP) for Lesotho was \$2.328 billion.⁸ Per capita GDP is approximately \$2,200 which ranks it at 192nd out of 228 countries.⁹ Despite maintaining a strongly positive growth rate between 2006 and 2010, the performance of the economy has been less impressive since that time. The overall business enabling environment in Lesotho has shown a small improvement in recent years. The World Bank Doing Business¹⁰ data for 2014 shows that Lesotho ranks 136 out of 189 surveyed economies in terms of the overall business climate, above the Sub-Saharan African average. The main challenges facing businesses in Lesotho include the ease of access to a reliable supply of electricity, availability of finance, non-tariff barriers to trade and the legal issues surrounding the attainment of construction permits and enforcement of contracts¹¹.

⁵ See Annex 8.4 which contains further details regarding project coordination and management and information regarding the key ministries, MTICM (now MTI and MSBDM) and MAFS, who led the identification of project outputs and outcomes towards capacity building in areas that are aligned to their ministries' respective contributions to Vision 2020.

⁶ The World Factbook (2014). Central Intelligence Agency. Available from: <https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html>

⁷ Human Development Report (2013). UNDP. Available from: hdr.undp.org/en/2013-report

⁸ The World Factbook (2014). Central Intelligence Agency. Available from: <https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html>

⁹ World Development Indicators, (2012). World Bank. Available from: <http://databank.worldbank.org/data/views/reports/tableview.aspx>

¹⁰ World Development Indicators, (2012). World Bank. Available from: <http://databank.worldbank.org/data/views/reports/tableview.aspx>

¹¹ African Economic Outlook, (2013). Available from: <http://www.africaneconomicoutlook.org/en/countries/southern-africa/lesotho/>

68. Lesotho's economic performance is reliant on agriculture, livestock, manufacturing and mining. Agriculture contributes approximately 7.4% to GDP, industry 34.5% and services 58.2%.¹² Significant natural resources include diamonds and water. Agriculture is still the country's most important generator of employment. With roughly 70% of the population living in rural areas, farming provides as much as 45% of employment. Although little more than 10% of land is arable, crop farming is the mainstay of income for rural residents.
69. While low-yield cereal production, primarily for own-consumption, is by far the most widespread cropping activity, the most recent data available (for 2006-2008) indicate that vegetable production accounts for about 13.5% of land planted to crops, with fruit adding a further 1.5%. Potatoes, beans and peas – all essentially land extensive, rain-fed crops for own-consumption and local sale – dominate vegetable output. Peaches, apples and cherries, also mainly for own-consumption and local sale, are the most widely grown fruit crops. Almost all rural households with access to land are involved in some form of vegetable and/or fruit production, resulting in a solid indigenous skills base in horticultural techniques.
70. Where there is even a minimal supply of irrigation water, substantial potential exists in the lower-lying foothills and lowlands for higher value fruit and vegetable production, without encroaching significantly on scarce rain-fed crop production land. The increased production of high value crops is identified as a high policy priority of government, as outlined in the Lesotho National Development Plan,¹³ primarily to increase rural incomes and food security, but also to enter export markets. There are however significant shortcomings in respect of funding, physical capacity (particularly relating to storage/packaging/marketing facilities), appointment of staff to fill critical posts (especially in the Ministry of Agriculture and Forestry), technical competence, trade facilitation (notably in regard to meeting phyto-sanitary export requirements and the timely passage of perishable goods at borders), the business-friendliness of the legislative and public institutional environment, inter- and intra-ministry coordination, data collection, monitoring and evaluation/quality assurance and reporting.
71. In respect of market size/competition, while it is correct that Lesotho has the advantages of proximity to the large South African market and of ease of access to the much larger European and American markets through trade treaties, it is still some way off from being able to reap the benefits of these advantages. The shortcomings just referred to will first need to be substantially resolved. Some will certainly be addressed more readily by drawing in major private sector partners, but others, such as the development of backward and forward linkages, the weakness of farmer organizations and the difficulty that farmers have in accessing medium and short term finance, are more the responsibility of the private sector, though government can play a facilitating role. The upshot is that almost all horticultural output currently produced in Lesotho is either owner-consumed or sold on the domestic market and output is constrained both by the relatively small size of the market and by competition from imports, mainly from South Africa. Over the past decade and a half, several major international agencies (the World Bank, IFAD, ITC, DFID and World Vision) have collaborated with government to this end.

¹² The World Factbook (2014). Central Intelligence Agency. Available from: <https://www.cia.gov/library/publications/the-world-factbook/geos/lt.html>

¹³ National Strategic Development Plan (2012-13 – 2016/17), Government of Lesotho, 2012, page 80.

1.1.2 PROJECT OVERVIEW

72. The HPTD was initiated in 2013 in order to build the capacity of farmers and cooperatives in Lesotho to produce high value Fresh Fruit and Vegetables (FFV) both for domestic and export markets. In addition, the project objectives include increasing Lesotho’s national capacity and knowledge regarding product standards and product assessment, improving commercial and competitive value chains in the country and improving the general financial management skills of targeted farmers. Given the vulnerability to temperature extremes, hail and drought (which are expected to increase over time with climate change), as well as the scarcity of arable land, irrigation water and fencing, the project focused mainly on greenhouse-based high value crops, spinach, cucumbers, sweet peppers and tomatoes as well as the cultivation of mushrooms.
73. The logical framework outlined below in Table 6 states the following as the core development objective, purpose and outcomes of the project:

Table 6: HPTD Development Objective, Purpose, and Outcomes

Development Objective	Contribution to the reduction of rural poverty and enhance sustainable economic growth in Lesotho
Purpose	Build capacity of Lesotho cooperatives and their members to deliver to the markets high-value FFVs, through improved commercial and competitive value/supply chains.
Outcome 1:	Enhanced skills and knowledge of Smallholder farmers (SMEs) and their cooperatives in the use of appropriate technology in production of high-value FFVs;
Outcome 2:	Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever growing demand for the spawn in Lesotho;
Outcome 3:	Strengthened capacity of the Department of Standards and Quality Assurance (DSQA) to deliver Quality Assessment support services to SMEs;
Outcome 4:	Strengthened consolidation/commercial market centre (MC) that manages an inclusive supply chain services linking cooperatives to domestic and international markets; and
Outcome 5:	Improved financial management skills among target farmers and capacity enhanced to repay bank loans.

74. These outcomes were designed in line with the Millennium Development Goals (MDGs) that have now been taken up in the Sustainable Development Goals (SDGs) under the UN’s Agenda 2030.
75. ITC was the main implementing entity (MIE). ITC implemented the project under the overall management of the MTICM (before the split and then under the MTI), in close collaboration with the EIF Focal Point and its National Implementing Unit (NIU), both located in the MTI, and with the relevant departments in the MAFS. (The original NIU was dissolved and its tasks taken over by the Senior Planning Office in the MTI.) The evaluation team is aware of the split of the MTICM into two ministries, with the Ministry of Trade and Industry remaining the most active partner within the project, although the Marketing Department sits in the Ministry of Small Business Development Cooperatives and Marketing (MSBDCM).

1.1.3 PURPOSE AND SCOPE OF THE EVALUATION

76. This final evaluation was commissioned by ITC in December 2016, coinciding with project completion. (It should be noted that a further nine month extension has been requested in order to implement a few final activities.) The purpose of this final evaluation is to take stock of the results achieved by the project over its implementation span (13 October 2013 – 31 December 2016) and to identify lessons learned for future ITC interventions in Lesotho and

elsewhere. In addition to an assessment of the achievement and delivery of outputs, specific attention was paid to assessing the degree to which the project has empowered the targeted beneficiaries, building their capacity to use the ITC and other partners to obtain and leverage results. Specifically the final evaluation sought to:

- Assess the performance and results (including potential impact) of the project, in particular to support intervention partners and beneficiaries in achieving project outcomes;
- Assess the progress of the implementation of the MTE recommendations;
- Identify lessons that can contribute to building better projects and programmes in the future, for sustainability and scalability of the interventions; and
- Generate findings, and recommendations, and lessons useful for ongoing and future projects and programmes.

77. The evaluation assessed all elements of the project's design, implementation, and management, including processes, operations, and results. In addition, the broader role of the ITC in supporting the identification of trade priorities, capacity building and/or transfer was analysed.

1.2 METHODOLOGIES USED IN THE EVALUATION

78. The evaluation methodology followed the OECD DAC criterion for effective evaluation. The HPTD project's performance and results were assessed against its relevance, effectiveness, efficiency, impact and sustainability. A reconstruction of the project's Theory of Change (ToC) enabled an evaluation of the ITC's role "as a change facilitator that supports its partners and stakeholders to realize their development objectives."¹⁴ The results of the evaluation are collated, analysed and presented in this report. Box One below provides a summary of the main evaluation methodology and tools. The report is structured according to the ITC evaluation guidelines. Section 2 covers the analysis and findings according to the established evaluation criteria. This is followed by an assessment of project implementation and delivery, outcomes, impact and sustainability. Section 3 brings together the main lessons learned and good practices as uncovered in the previous section. Finally, Section 4 puts forward the main conclusions of the evaluation and provides recommendations to ITC on future project conception, design and implementation.

79. There were a number of limitations that were experienced during the course of the evaluation that need to be highlighted. Firstly, there is a lack of rigorous quantitative data collected by the HPTD implementation team on beneficiaries in terms of production and income generation. This makes a rigorous quantitative assessment of impact and value for money challenging. As such the evaluators have drawn anecdotal evidence from beneficiaries on these indicators and can draw broad conclusions. Secondly, the field visits were organised by the project staff. This was mainly due to their knowledge of farm accessibility, location, and status. It was stressed that a representative sample (as described in the box below) be selected, however there was a degree of bias in site selection, leading to the exclusion of the furthest outlying areas. The evaluators however did not believe that this impacted the results of the evaluation as enough beneficiaries were visited, according to the established criteria, in order to reach findings that

¹⁴ Draft ITC Evaluation Policy and Guidelines, 2016.

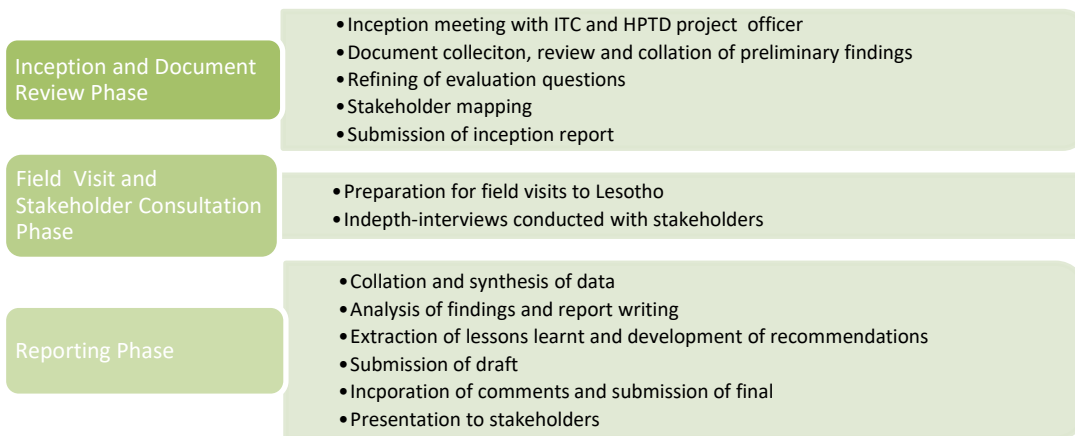
probably reasonably reflect the group as a whole. Lastly, it was clear that a few of the government implementers involved in the project were not fully aware of the project objectives and status of activities. This limited the ability of the evaluation team to glean meaningful insights from these individuals, although it can be argued that this ‘lack of knowledge’ on the project is an important finding in itself.

Box 1: Overview of the Evaluation Approach and Methodology

The approved Inception report for the evaluation outlined the evaluation team’s approach and methodology. The team adopted the following principles in their approach to the evaluation:

- **Voice and Inclusion:** A participatory research approach was followed, ensuring that all relevant stakeholders were consulted, ensuring a holistic review and adequate representation of stakeholders and beneficiaries.
- **Appropriateness:** The evaluation methodology followed the ITC results framework to examine the coherence and validity of the intervention results chain, the ToC, and the intervention strategy along the OECD-DAC criteria.
- **Triangulation:** A mixed method approach was followed which included both quantitative (questionnaire, data collection and analysis) and qualitative methods (interviews). To ensure that both successes and failures of the project are adequately presented, an evidence-based approach will be used and guided by the “best available evidence”.
- **Contribution:** To this end the evaluation team looked to identify theories of change, impact pathways and outcome indicators.
- **Transparency:** Transparency with regards to the methodology employed, data sources consulted and any limitations in the project findings will be upheld.

The evaluation was conducted in three distinct phases:



The evaluation was conducted according to the evaluation matrix approved in the inception report. The evaluation matrix outlined the proposed evaluation questions, what information was needed for verification and data collection methods. The evaluation questions were adapted and refined from the MTE and the ToR for the final evaluation. The main data collection methods used were as follows:

- Literature review: project progress reports, product design document, project outputs, MTE of project, and national legislation, policies and strategies.
- Questionnaire design: a questionnaire was developed to guide the stakeholder interviews. This can be found in Annex 2.
- Field visits and stakeholder interviews: the team conducted a field visit to Lesotho and met with all relevant individuals involved in project implementation – this included site visits to project beneficiaries, the Mushroom laboratory and Market Centre, interviews with project staff,

government officials, buyers, funder, and other implementation partners. A list of all stakeholder consulted can be found in Annex 1.

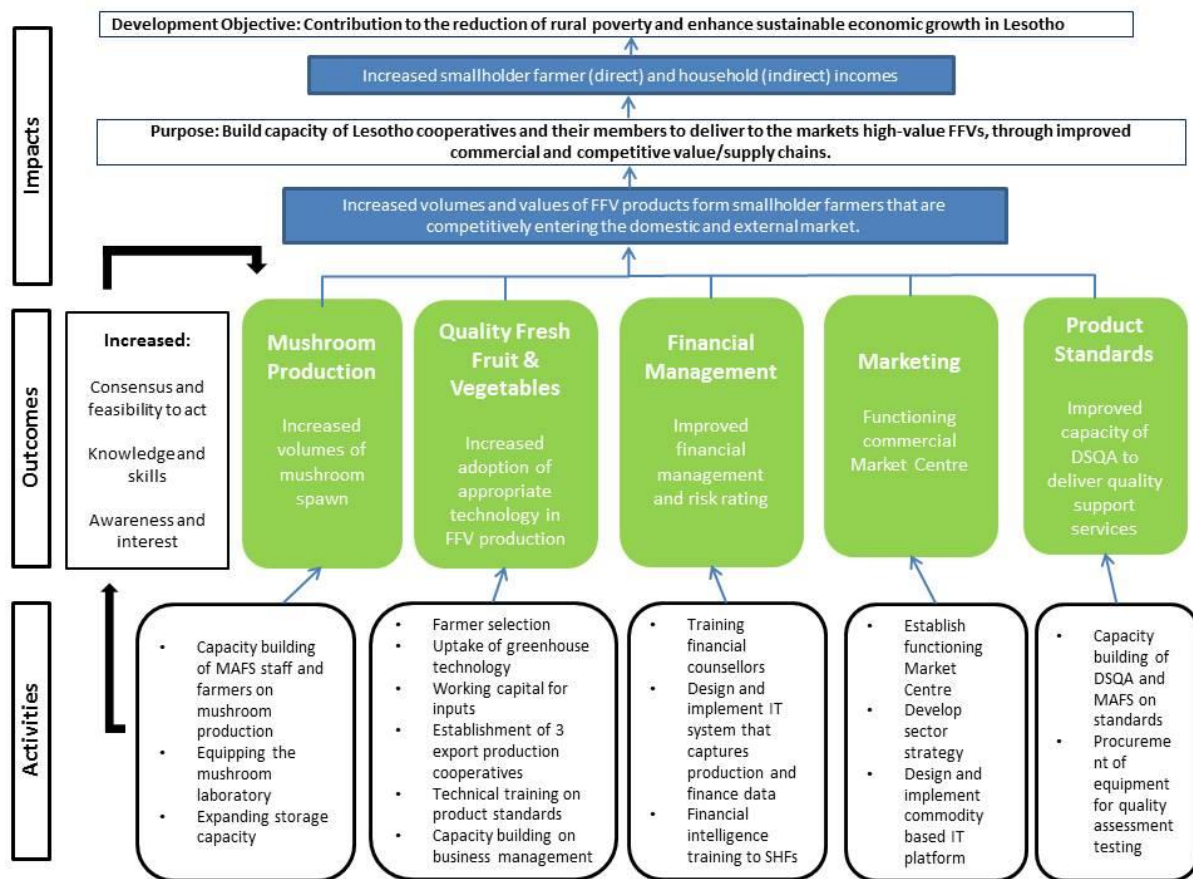
Given the limited volume and reliability of quantitative data available, a longitudinal approach was adopted to compare the qualitative data collected in the MTE with that collected in the Final Evaluation. A roughly 20% sample for farmer interviews was achieved. Farmer selection for participation in the evaluation was stratified and purposive in nature. Stratification was done according to: district, gender and youth, individual farmer and cooperative, and known level of success. Farmers who were interviewed during the MTE were purposefully selected in order to draw comparisons. As such, the sample is not strictly statistically significant, however the evaluators believe that the sample is sufficiently representative to draw valid high level conclusions. The report does not attempt to provide precise quantitative results.

Data captured during the literature review and field phase was analysed and synthesised and this report presents the findings prepared. This report will be circulated for comment to ITC, the Executive Secretariat of the EIF and the Trust Fund Manager, the EIF Donor Facilitator (UNDP) and the Focal Point (PS) who will share it with the Project Steering Committee (for subsequent submission to the National Steering Committee). Subsequent to comments received, the final report will be presented to ITC.

2. ITC LESOTHO HPTD PROJECT THEORY OF CHANGE

80. In the official project document for the ITC Lesotho HPTD project no specific Theory of Change (ToC) diagram is given. Despite this, the document does outline causality links between project outputs, outcomes and ultimately impact and the HPTD project logic clearly. The evaluators have conducted a basic reconstruction of the implicit ToC – please see Diagram 1 below. This allows for an illustrative articulation of the main outputs and intended outcomes, and how these will lead to the envisaged impact. It is against this ToC that the evaluators are able to determine to what extent project outputs and impacts were achieved and where changes in the logic of the project need to be made.

Diagram 1: Reconstructed ITC Lesotho HPTD Theory of Change



81. As stated in the official project documents, ‘The overall objective of the project is to contribute to Lesotho’s sustainable economic growth, employment, food security, nutrition, and poverty alleviation through building and strengthening the capacity of smallholder producers to commercialise, diversify, and promote production of FFVs for domestic and export purposes’¹⁵.
82. The activities and outputs of the project (training, advisory support, technical assistance, technology adoption, knowledge products etc.) are designed to improve:
- the capacity (financial, technical and managerial) of cooperatives and their smallholder farmer members to produce high quality FFV for local and international markets; and
 - the functioning and capacity of support services of the FFV value chain to deliver FFV in an increasingly competitive manner to local and international markets.
83. It is expected that through improved agronomic practices, better financial management, improved negotiation and marketing skills, and technology adoption, farmers will boost crop productivity and quality, increasing their ability to secure more favourable contracts for their products. Strengthening the supporting functions of the value chain, through the improvement of quality assessments and the establishment of a functioning market centre, will result in improved market linkages/access, more stable volumes (aggregation), improving the ability of Lesotho horticulture producers to meet local and international market volume and quality

¹⁵ Kingdom of Lesotho, Enhanced Integrated Framework (EIF) Tier Two - Project Document (ProDOC), November 2012 page 29.

specifications and ultimately increasing farmer (direct) and household (indirect) incomes. Within the HPTD project there are five distinct components that make up the ToC. The logical pathway from activities and the expected chain of results for each of the components are explained below.

84. A number of key assumptions underpin the above ToC and the logical framework for the project. These include:
1. The Government of Lesotho remain committed to project outcomes and support implementation of activities,
 2. The Standards Bill is enacted by parliament timeously,
 3. EIF and donor funding is received timeously,
 4. The political situation remains stable enough to deliver on project outcomes,
 5. Stakeholders (farmers, cooperatives, buyers, etc.) are committed to working together to achieve project objectives,
 6. Adequate extension services and agronomic support is given to farmers through government and relevant ministries, and
 7. Macroeconomic conditions remain favourable for project implementation.
85. The GoL's commitment to the project waxed and waned during the course of the HPTD implementation period and it is unclear to what extent ministries, like MAFS, will remain engaged with the greenhouse farmers, as they did not provide extension officers to be trained by Amiran alongside the greenhouse recipients. There is significant interest from the MTI to see the Market Centre succeed. However, they are also in favour of handing the Market Centre over to a private sector operator and anticipate their involvement to cease thereafter. The MAFS will have to remain involved with the Mushroom Laboratory as it has personnel stationed at the facility and have now committed a budget towards spawn production.
86. There was no issue regarding the timeously receipt of EIF and donor funding, the only delay occurred due to the non-signature of the Project Document. The political situation was unstable and it did affect the project from time to time, resulting in ITC having to double up efforts to ensure progress. These efforts resulted in no serious impact being felt and the greenhouse level. However, the macroeconomic conditions remained relatively stable over the period. The stakeholders were generally very committed and worked well towards achieving the objectives.

2.1 MUSHROOM PRODUCTION

87. The ultimate aim of this component was to increase the incomes of small-scale mushroom producers in Lesotho. At output level, activities centred on building the technical and infrastructural capacity of the Masianokeng Mushroom Laboratory to produce more spawn of higher quality to sell to farmers. The core activities were as follows:
- Building the capacity of MAFS staff to technically and managerially run an effective mushroom laboratory through training on the technologies of spawn production,
 - Equipping the mushroom laboratory with the necessary technical equipment needed for storage, spawning, sterilisation and inoculation, and
 - Training the beneficiary mushroom farmers on mushroom quality management and sensitising them to the increase in spawn production from the laboratory.
88. As a result of these outputs (activities) it was envisaged that MAFS staff will be equipped with the knowledge and skills as well as the infrastructure to effectively produce mushroom spawn

with limited external input/support. The increased capacity of the Masianokeng Mushroom Laboratory will result in an increase in the production and availability of spawn for sale. Increased accessibility to spawn by farmers coupled with improved knowledge to be able to grow good volumes of high quality mushroom for the market will result in the farmers being able to sell mushrooms to local markets, hotels, restaurants, mines and retailers. This will lead to an increase in incomes for these farmers. Mushroom farming is considered an income supplementing activity and it will therefore improve the lives of those that grow for commercial sale.

2.2 QUALITY FRESH FRUIT AND VEGETABLES

89. Under this component, the project looked at increasing the capacity of smallholder farmers to grow high-quality FFVs that can be sold into formal markets in Lesotho and beyond. The capacity building outputs of this component were:
1. Adoption of greenhouse and hail-net technology by farmers,
 2. Establishment of functional export production cooperatives,
 3. Technical training on GAP, standards, food safety, packaging, traceability and quality,
 4. Capacity building workshops held on business strategy and resource management, and
 5. Access to high-quality inputs as initial working capital.
90. Through adoption of appropriate technology and improved technical capacity, farmers will be able to use improved skills and resources to produce increased volumes of high-quality FFVs for the local market. This will expand the productive capacity of fresh produce in Lesotho.

2.3 FINANCIAL MANAGEMENT

91. Increasing the capacity of farmers to better understand the financial components of their operations was deemed as an important step for them to be able to take advantage of market opportunities. Farmers who had received training on financial intelligence (which includes aspects such as profit and loss calculations and basic accounting) would be in a better position to negotiate price, invest in their operations and better manage the financial aspects of their operations, increasing their ability to increase their incomes. It was further envisaged that building the capacity of 'financial counsellors' to provide the much needed financial support services to farmers would greatly improve their ability to access financial advice.

2.4 MARKETING

92. Through the establishment of a functioning Market Centre, support services such as aggregation, cold storage, sorting, grading, washing, packaging, branding and transportation of FFVs to market buyers will be offered. This Market Centre, operating as the linkage between the farmers and the buyers will provide the needed infrastructure to provide farmers with a market for their increased production, and provide buyers with a secure source of high-quality FFVs that meet safety and product standards.

2.5 STANDARDS DEVELOPMENT AND QUALITY CONTROL

93. Through technical training and the provision of equipment and support services, the project aimed to increase national capacity and knowledge on product standards and market requirements and build the capacity of the DSQA to deliver quality assessment support services

to farmers. This would increase the ability of farmers to meet the domestic and export requirements of more formalised value chains.

94. Ultimately, the achievement of these five components will result in an increase in the volumes and value of FFV products from smallholder farmers in Lesotho, both on a domestic and on an international scale. This will lead to increased direct and indirect incomes for farmers and their households.

2.6 LINKING THE LESOTHO HPTD PROJECT TOC WITH THE OVERALL ITC TOC

95. The HPTD ToC aligns well with the overall ITC ToC. Through the activities outlined in the HPTD ToC, the project would lead to: increased awareness and interest, increased knowledge, skills and exchange, and improved consensus and feasibility to act of the relevant value chain actors (farmers, buyers, government, and support services). However, in the HPTD case, moving from these capacity building outputs to the intermediate outcomes has faced a number of challenges.
96. Despite capacity building efforts, policy makers and regulators have to date not made significant progress to improving the business environment and market access opportunities for FFV farmers. A lack of funding and the politicisation of key institutions and decision-making structures resulted in activity drag and delays. Weaknesses still remain in the market supporting functions such as input supply and extension support. Although the potential exists for an increase in business opportunities for SMEs and linkages through the Market Centre, these are yet to materialise. SME owners (farmers) have managed to successfully improve the volume and quality of the produce and have started to increase supply to local markets, retailers, hotels and restaurants, however access to regional and international markets remains a long way off. The limited progress made on achieving the intermediate outcomes of the project, has meant that the ability to achieve improved international competitiveness (exports) and ultimately the contribution to achieving the SDGs is diluted. However, it must be noted that the success of the greenhouse technology for certain willing farmers has resulted in significant income increases for these farmers and their households.

3. ANALYSIS AND FINDINGS

97. This section covers the analysis of the data and information collected and presents the major findings of the evaluation according to the main evaluation criteria: relevance, efficiency, effectiveness, impact and sustainability. Each project outcome is assessed within each criteria and a score allocated to the extent to which it aligns with the achievement of the criteria. A six-point rating system is used, with a score of 6 being highly satisfactory and 1 being highly unsatisfactory (see Table 3 above). Justification for the rating of each component is given, and an overall composite rating for each outcome against evaluation criteria is provided.
98. For scoring purposes the evaluators decided to split the HPTD project into its productivity enhancement and developmental components on the one hand and the trade development component on the other as the outcomes achieved in these two areas differed dramatically. A score is given for each outcome under each evaluation criteria for the two aspects and then a mean score is calculated per outcome per evaluation criteria as well as an overall score for the evaluation criteria. The overall score of the project is the mean of the evaluation criteria scores. In each case the evaluators rounded the scores down. Whereas the productivity and

development components were substantially achieved with good results, the trade development components remain largely unachieved. The overall score for the HTPD is a (2), which shows that the outcome has been unsatisfactory. The HPTD is a project with largely unattained results, unfortunately outweighing the positive results achieved. The details are discussed below.

3.1 RELEVANCE

99. The FE, like the MTE, has found that the project remains, on a whole, relevant and gives it a moderately unsatisfactory score of (3). The relevance of the project had a number of egregious shortcomings that unfortunately outweigh the other generally positive results.
100. Relevance looks at the degree to which the project’s design and objectives addresses the needs of the targeted beneficiaries, is in line with the country development trajectory and strategy, and whether it meets the objectives of the donor and other development partners. The MTE reported that the HPTD is a well-designed and thought out project, that it is highly relevant and has the potential to have a significant positive impact on rural poverty in Lesotho and improve Lesotho’s export earnings. The final evaluation has found that the project remains, on a whole, relevant, although in practice its implementation faced a number of insurmountable obstacles. Had proper studies been done during the design-phase of the project some of the expected outcomes of the HPTD could have been muted. Some aspects of project conceptualisation and design have challenges in remaining strongly relevant going forward given the progress to date and realities on the ground in Lesotho. These are addressed in the discussion below.

Table 7: Evaluation Score of Relevance

OUTCOME	Relevance for Horticulture Productivity (Where 6 is the highest)	Relevance for Trade Development	Mean Relevance Score
1. Enhanced skills and knowledge of smallholder farmers and their cooperatives in the use of appropriate technology in production of high-value FFVs	5	1	3
2. Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever-growing demand for the spawn in Lesotho	5	1	3
3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.	4	4	4
4. Strengthened consolidation of market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets	4	4	4
5. Improved financial management skills among target coops/smallholder farmers and as well as capacity enhanced to receive bank loans.	4	4	4
OVERALL RELEVANCE SCORE	3		

101. The project remains in line with the general development needs of Lesotho. These are outlined in the Lesotho National Strategic Development Plan (NSDP) 2012/13 – 2016/17 and the Lesotho Vision 2020¹⁶. Both state that the overall objective is to reduce poverty and achieve sustainable development in Lesotho. The NSDP outlines that this will be achieved through the following strategic goals: (I) Pursue high, shared and employment creating economic growth; (II) Develop

¹⁶ Reference to the development of an NSDP II (2018-2022) is made by the Government of Lesotho. However the consultants could not find public evidence that a new strategy has been developed and approved.

key infrastructure; (III) Enhance the skills base, technology adoption and foundation for innovation; (IV) Improve health, combat HIV and AIDS and reduce vulnerability; (V) Reverse environmental degradation and adapt to climate change; and (VI) Promote peace, democratic governance and build effective institutions¹⁷. The objectives of the ITC HPTD project align with the strategic goals I, II, and III, with the ultimate aim of reducing poverty and contributing to economic growth in Lesotho.

102. The extent to which the project addresses the needs of its target beneficiaries (horticulture farmers) remains very high and relevant. Increased participation and income for small-holder horticulture farmers is pivotal in contributing to poverty alleviation in Lesotho. Evidence (discussed in subsequent chapters) has shown that the continuity of greenhouse production is making a positive impact. The extent to which the MAFS has played a positive and significant role in providing the required extension and cooperative development support to the farmers is limited. As such, 1.1 scores lower.
103. The effective functioning of the mushroom laboratory and the supply of mushroom spawn to farmers is particularly relevant for poverty alleviation, especially amongst urban women who rely on mushroom production to support income generation. Mushroom production provides an unusually good opportunity for low income households in urban areas to supplement income from other sources, as well as to improve their own food security. In addition the cross-cutting issues of youth and gender were incorporated into project design and implementation. Greenhouse distribution took gender and youth into account. The FE found 33% of individual recipients were women. The FE found no data on the gender or youth split within cooperatives.
104. Better financial management skills clearly have the potential both to increase farmers' incomes substantially and to increase their access to loans. Its relevance as an activity is therefore justified. However, a major advantage of greenhouse production and the initial start-up injection of working capital is that farmers are generally able to produce a strong enough cash flow to not need to borrow from financial institutions.
105. The HPTD project aligns with the overarching objective of ITC in contributing to the achievement of the SDGs. However, the ITC's intermediate objective of 'improved international competitiveness of SMEs in developing countries and transition economies for inclusive and sustainable development' was not achieved by the project. Greenhouse production meets local demand needs but the ability of Lesotho to supply high quality FFVs to international markets, in particular its neighbour South Africa, remains a far-off goal. Issues around transport, volumes and meeting the quality and safety standards remain challenging. Competition from South African producers is very high and the market will take time to respond positively to a new entrant. As such the goal of improving Lesotho's trade balance and increasing the export capacity of local producers is unrealistically ambitious within the frame of the project.
106. With regards to the mushroom laboratory, a focus on the production of white button mushrooms over oyster mushrooms would have improved the export potential for farmers. This is because the local and neighbouring market (South Africa) has a greater demand for button mushrooms than oyster. One local retailer interviewed expressed interest in purchasing white button mushrooms from farmers over the oyster. The relevance of the HPTD is therefore much

¹⁷ National Strategic Development Plan (2012-13 – 2016/17), Government of Lesotho, 2012.

higher in terms of poverty reduction, but much lower in terms of exports. This accounts for some of the lower scores in outputs where exports are covered (1.2, 3 and 4). Subjectively however, the evaluators would suggest that income generation for low-income rural households is a more important goal than improving Lesotho's balance of trade position.

107. The establishment of a well-functioning Market Centre has the potential to play a pivotal linking role between producers – whether individual or cooperative – and off-take markets. There was consensus among farmers that the highest prices were offered by restaurants, guesthouses and hotels, but that all demanded a level of continuity of supply that they found hard to meet. The potential role that a well-organized Market Centre could play in meeting clients' needs for continuity is clear. However issues around transport, cold storage, and crop diversification are challenges that need to be overcome.
108. In principle, such a centre could play a pivotal role in ensuring that South Africa's and other countries' food safety standards requirements are met by Lesotho farmers. This would need effective collaboration with South African authorities and field inspection services, something that individual South African (and other) private sector importers are likely to be most effective at arranging. One project challenge identified is the lack of control over parliamentary processes. Whereas the Standards Bill is critical to the eventual successful development of value chains with South Africa, no project implementer has had any influence over the speed or prioritisation of bill enactment in parliament.
109. With regards to the objectives and activities of other relevant development partners, the HPTD has high relevance to the World Bank and IFAD funded Small-holder Agricultural Development Programme (SADP). SADP (2012-2018) is a matching grant scheme that aims to increase the marketed output production of smallholder farmers in Lesotho. A number of synergies and potential areas of collaboration exist between the two projects such as the market centre, building of apex farmer organizations, capacity building activities, lesson learning and coordination around input supply.
110. In summary, the FE found that the negative relevance outcomes outweigh the positive and gives it an overall score of (3), which is moderately unsatisfactory. Although the HPTD seemed to be well-design project that is relevant to the needs of the targeted beneficiaries and the objectives of the ITC and other partners, the political realities against which the project was to be implemented was not taken sufficiently into account.

3.2 EFFICIENCY

111. Efficiency was evaluated to be unsatisfactory and receives a score of (2) as the project had largely incomplete results, clearly outweighing the achieved positive results.
112. Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs¹⁸. (The HPTD had a budget of around US\$3million.) It is an economic term which signifies that the support given uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted. Although this was not done within the HPTD, the evaluation has the advantage of being able to draw on the experience of the World Bank SADP. A different approach was taken here, namely a matching grant approach, which encouraged farmers to buy greenhouses from South Africa. The evaluation has found that one of the greatest successes of the HPTD has been the fact that farmers were given the greenhouses upfront and profits made from the first harvest as well as training on financial intelligence has allowed them to continue to save money to have enough funds to buy inputs for the next season. The evaluation also found that although the Amiran greenhouses were smaller, they were delivered as a full kit with technical support over three months, which is superior to the service support received under the SADP. In addition, the Amiran greenhouses seem to be of better quality and perhaps better suited to the Lesotho climate.
113. Farmers interviewed indicated that the hail nets alone are of high value and that they allow farmers to expand production to beyond the greenhouse. If the hail nets in storage could be distributed or sold amongst the recipients, their immediate output could be increased.
114. The efficiency lens also evaluates the efficiency with which the project was implemented as the coordination and participation of multiple stakeholders does have a profound impact on any project. In the HPTD the efficiency depended on the inter-relationships between the relevant ministries at a given point in time. The political landscape in Lesotho is highly contested resulting in numerous fall outs between ministries, reshuffling of senior personnel and an uncertain environment within which to operate. The efficiency also depended on the time of implementation, as there was a period during which MAFS had withdrawn from the HPTD impacting negatively on the efficiency of the project. The failure to sign an MoU between the Chinese and Lesotho governments also impacted negatively on the efficiency of the mushroom laboratory as funds dried up during a critical period of mushroom production.

¹⁸ The evaluation team were not given detailed financial reports, making an assessment of financial efficiency impossible.

Table 8: Evaluation Score of Efficiency

OUTCOME	Efficiency of Horticulture Productivity (Where 6 is the highest)	Efficiency of Trade Development	Mean
1. Enhanced skills and knowledge of smallholder farmers and their cooperatives in the use of appropriate technology in production of high-value FFVs	5	2	3
2. Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever-growing demand for the spawn in Lesotho	2	2	2
3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.	4	4	4
4. Strengthened consolidation of market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets	1	1	1
5. Improved financial management skills among target coops/smallholder farmers and as well as capacity enhanced to receive bank loans.	3	1	2
OVERALL EFFICIENCY SCORE	2		

115. The project objective clearly was to distribute greenhouses to more cooperatives than individuals. There is a strong government position to have more greenhouses distributed to cooperatives and to have those greenhouses that are not currently being utilised to be repossessed and distributed to selected cooperatives. However, the evaluation team found that most production cooperatives in the horticulture sector firstly are weak in Lesotho specifically and that they tend to fail in general. This trend was visible in Lesotho where most (about two out of every three) of the cooperative greenhouses in the HTDP collapsed and were eventually managed by individual farmers.
116. Greenhouse farmers have been able to improve their incomes where they have continued to make use of the greenhouses given to them. A few greenhouses have been neglected or are not being used optimally, affecting the efficiency score. The greenhouses that have been left fallow should be redistributed. At this point it would be preferable to give them to those farmers that are doing exceedingly well and that would like additional greenhouses. The reasons for this, and not arguing for greenhouses to be given to new recipients, are two-fold: first, good existing farmers have the potential to upscale and to produce at a scale that the project envisaged and second, no training or start-up capital for inputs will be available for farmers, which means that new recipients will be likely to fail.
117. Initial equipment procured by ITC in 2004 under a different support project for the mushroom laboratory had become redundant. These were replaced with equipment procured by the Chinese government. For a period of time the laboratory was indeed able to operate efficiently and produce ever larger volumes of mushroom spawn, even after the departure of the Chinese technical assistance in June 2015. However, very high temperatures and a drought caused the existing spawn to die by January 2016. Staff at the laboratory and the MAFS were unable to address the situation, leaving the laboratory in a derelict state until the period of the final evaluation. It is expected that spawn production will take off again but it is a tragedy that it took MAFS almost a year to reach out to South Africa for more spawn in order to restart production. Women and their cooperatives that had started to rely on the laboratory for spawn at the outset of the HPTD as evidenced during the MTE, have in effect been treated with complete disdain by

the lack of urgency to restart production. The laboratory site was in a shocking condition, with beer bottles and other junk filling the incubators and workers lying around or cooking on dirty two-plate stoves with no indication that any work was planned for the day. The evaluation settled on a score of 2 with this output.

118. The evaluation team did some light research on how difficult and costly it might be to access spawn and discovered that within a few telephone calls we could procure seed and have it sent to Lesotho at around M215.00 (\$16) for a 3.5kg bag. The laboratory would need around 35kg of substrate to produce spawn from this seed. When the evaluation team visited the laboratory it was noticed that not even substrate grass is being produced at present. A small heap of very old grass was disintegrating on the lawn and grass growing in the greenhouse clearly needed urgent trimming and preparation for the spawn. It will take the laboratory six weeks of grass production to prepare for the spawn, but not even this is being done. The evaluation further found that MAFS did not reach out to ITC for funding to restart production, but opted to wait and see whether spawn could be given to them for free from South Africa or to delay until the Ministry of Finance might approve a budget. Again, the lack of urgency or lateral thinking to save mushroom production in Lesotho was staggering.
119. The Cedara College of Agriculture in KwaZulu Natal in South Africa estimated that it would only cost around 150,000 (\$11, 500) to get the laboratory up and running again. They would also welcome the Lesotho mushroom staff to their campus for a refresher course on spawn production. They emphasized the importance of continuing with grass production and drying activities to be well prepared for when seeds arrive.
120. The very low scores are for areas that have not as yet been implemented or weakly implemented given the fact that greenhouse farmers are only producing for their immediate, local markets with weak penetration into retail and hospitality sectors.

3.3 EFFECTIVENESS

121. Effectiveness was evaluated to be unsatisfactory with a score of (2) as the project had largely unattained results, clearly outweighing positive results.
122. The effectiveness lens allows the evaluation to determine whether and how planned activities were implemented. There was no real understanding in the project design of how low the actual base was from which the HPTD was starting or the volumes that could be produced by farmers on a continuous basis. Infighting amongst politicians and civil servants has also contributed to activities and the attainment of their objectives being delayed or held hostage to petty infighting. The fact that vehicles were procured for the project but never used during the lifespan of the HPTD is testament to the impact that infighting can have.

Table 9: Evaluation Score of Effectiveness

OUTCOME	Effectiveness of Horticulture Productivity (Where 6 is the highest)	Effectiveness of Trade Development	Mean
1. Enhanced skills and knowledge of smallholder farmers and their cooperatives in the use of appropriate technology in production of high-value FFVs	5	4	4
2. Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever-growing demand for the spawn in Lesotho	2	2	2
3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.	4	4	4
4. Strengthened consolidation of market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets	1	1	1
5. Improved financial management skills among target coops/smallholder farmers and as well as capacity enhanced to receive bank loans.	3	1	2
OVERALL EFFECTIVENESS SCORE	2		

123. As under the efficiency evaluation, the areas that score very low are due to the fact that the activities concerned have not been implemented as yet. Again the mushroom laboratory was on the right track but had a severe set-back due to inertia in rekindling production at the laboratory. The skills developed to produce mushroom spawn are currently not being utilized. DSQA fulfilled all of their activities related to the project, but it is questionable whether this was the most appropriate training for farmers to have received when they are not well-positioned to supply to markets that require certification.
124. It is understood that the project has provided greenhouses to 115 farmers, of which 89 were individual recipients and 33% women. From the limited purposive samples that we were able to draw for the MTE and the FE, we are not able to say what percentage can be regarded as 'successful', if the definition of 'success' is producing a substantial on-going volume of good quality output (in non-winter months). But only three of the 20 visited in the FE were not doing well. In each of these cases, the reasons did not seem to be related to lack of technical skills (30km distance of residences from greenhouse in one instance and well-paying jobs found elsewhere with inadequate labour employed to fill the gap in the other two). This suggests that about 85% of the 115, or between 95 and 100, have 'adopted (the) production technology' effectively. We view this as a major achievement and a good return on the capital invested. Farmers visited have clearly learned sufficient technical skills from their Amiran training and from the income that they have been able to generate from their greenhouses to continue to produce a steady stream of good-to-excellent quality output for the local market – from street corner sellers to retail chains to restaurants, guest houses and hotels. Indeed, between the production of the HPTD greenhouses and those of other projects, the volume of FFV meeting the standards demanded by large chain retailers operating in Lesotho is now so great that several farmers reported that they can now only sell to such clients in rotation, about every third month. This has been achieved with little or no technical support from government extension officers. The retailers consulted did stress that farmers should grow products that are demanded locally and that are the correct variety, as well as that they should try to sequence production to ensure consistent supply and minimize market overload.

125. Some farmers are starting to keep good records of their farming activities, but none of them have used these records to access financing for up-scaling their efforts. Perhaps the most relevant measure of farmers' financial skills is their understanding of the need to keep aside enough of the income generated from FFV production to provide working capital for the next round of crops (seeds, fertilizer, pesticides, etc.). This is clearly happening, whether written financial and input/output records are kept or not. Most greenhouse operators did report keeping some form of written records, but these varied from the thorough accounts kept by an accounting graduate and one of the cooperatives visited (chaired by a former employee of the Ministry of Finance) to loosely structured notes about inputs and outputs.
126. There is broad consensus that farmers are still a significant way away from being able to produce quantities necessary for export at a consistent rate and perhaps also from being able to meet South Africa's SPS requirements. However, it is not possible to reach this finding conclusively, given the inability of greenhouse farmers to access optimal quality inputs in the absence of an importer of such inputs after the withdrawal of Amiran on the termination of their contract. Farmers are able to access other seed that produce vegetables that are of good quality but not the same as the vegetables produced from Amiran seeds. Although many – probably the majority of farmers – are still producing high quality FFV, the difference in quality between the one or two who were visited who were 'first crop' producers (i.e. late entrants to the project) and others who were using 'non-Amiran' inputs was noticeable.
127. In respect of cooperatives/farmers' associations, governance, organizational development, incentive structure, individual commitment and adequate income per member are no less important than technical skills and indeed are a prerequisite for technical skills to bear fruit. More cooperatives/farmers' association ventures were visited in the FE (7) than in the MTE. Of these, only two (one a family working as a cooperative, and the other a remarkably diverse urban group that had been functioning as multi-purpose cooperative for about 10 years before starting greenhouse production) were still functioning successfully. The others had either evolved into operations run by single remaining members (3) (or had been leased for three years on a one member-one greenhouse auction basis, where the association owned five greenhouses) or were struggling to survive (2).
128. One area where more rigorous procedures could have been followed is with the selection of farmer and cooperatives for greenhouse distribution. Although good selection criteria were used for choosing beneficiaries, some were judged subjectively on extent of enthusiasm and passion and not necessarily their farming skills/ability. This resulted in a number of dropouts (about 10% of farmers in the FE sample) who found other jobs in town. Furthermore, a contract between the beneficiary and the project was not signed. This meant that there was no legal disincentive for beneficiaries not to utilise the greenhouses. Linked to this is that the greenhouses were not selected based on proximity to each other and many are scattered throughout remote districts. This provides a challenge when it comes to bulking and transport of product, making it expensive and uncompetitive to get the product from the farm to the market.
129. The HPTD was effective in finding a Market Centre site in collaboration with the Lesotho National Development Centre (LNDC). LNDC owns a number of factory shells that could be converted into a bulk processing centre. The site visited has been developed on an impressive

scale, with washing facilities and two large cold storage facilities, vegetable preparing stations, including a peeler and a dicer, packaging machines, forklifts, a staff canteen and offices equipped with five computers, printers, servers and office furniture. There is concern by the evaluators that this centre might be too big for the quantities currently being produced by Lesotho farmers. Apparently the business plan for the centre envisages a private sector operator to take over the running of the centre and that such an operator might attract produce from South Africa's border towns for processing. However, this remains a large unknown and only a full operationalization of the centre will show whether it can run at optimal cost levels.

130. Neither the Project Steering Committee nor the National Steering Committee has met since the MTE. At the time of the MTE it was felt that these two bodies were important to revive and use as stakeholder consultation forums as well as oversight bodies. The project was implemented regardless of the lack of meetings. It further became apparent that key units within MTI were unaware of project details, indicating a major lack of communication between ministerial departments. This has resulted in some delays in activities and confusion on roles and responsibilities clearly having a negative impact on the effectiveness of the project.
131. The logframe did not remain an active document during the lifespan of the HPTD, changes were never formally recorded nor the logframe updated. This omission impacted negatively on the effectiveness of the HPTD as the implementation team did not have a clear guiding tool to plan against nor the evaluation team to evaluate against.

3.4 IMPACT

132. The evaluators found that the impact of the HPTD to be unsatisfactory and scores this area a (2). This is a project with largely unattained impacts, clearly outweighing positive results.
133. Impact assesses the changes that can be attributed to a particular intervention, such as a project, programme or policy, both the intended ones, as well as ideally the unintended ones. The impact of the HPTD project has to be assessed at the level of the beneficiaries but also at the level of stakeholder capacity.

Table 10: Evaluation of Impact

OUTCOME	Impact of Horticulture Productivity (Where 6 is the highest)	Impact of Trade Development	Mean
1. Enhanced skills and knowledge of smallholder farmers and their cooperatives in the use of appropriate technology in production of high-value FFVs	5	4	4
2. Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever-growing demand for the spawn in Lesotho	1	1	1
3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.	4	3	3
4. Strengthened consolidation of market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets	1	1	1
5. Improved financial management skills among target coops/smallholder farmers and as well as capacity enhanced to receive bank loans.	2	1	1
OVERALL IMPACT SCORE	2		

134. The greatest positive impact of the HPTD project has been on the 115 farmers and their cooperatives and associations that grow horticultural produce. Not only has the positive impact been seen at first hand by the evaluators, but there is a general sense within Lesotho that greenhouse production is well suited to small rural farmers in Lesotho. The World Bank and IFAD have launched a similar project, the SADP, whereby farmers are given grants to procure greenhouses. In addition, World Vision and the UNDP have procured greenhouses after witnessing the successes of the Amiran greenhouses distributed by the HPTD. Being able to produce horticultural products has led to income flows for farmers who previously had very little. It is the evaluation's estimate that the typical monthly net income from a greenhouse is around M1,000 or US\$80. This has had a significant poverty alleviating impact.
135. The impact has also been seen in local contractors being trained and equipped to install greenhouses and farmers and staff of the HPTD being able to offer advice and training to fellow farmers outside the ambit of the project. This was an unexpected secondary positive impact. It is the evaluation's conclusion that real capacity development has taken place beyond greenhouse recipients. While the greatest weakness of the project has been the variable and unpredictable participation of government, evidence of the sustainability of the project is that most greenhouse recipients have been able to generate good incomes without the help of government and without additional seed from Amiran. Although non-Amiran seed seems to produce inferior produce, it is still of an acceptable quality to local retailers.
136. The mushroom laboratory arguably also had an initial very positive impact on both local capacity to man the laboratory and to contribute to the continuous production and sale of mushroom spawn. There was evidence during the MTE that production and sale of spawn was continuing. However, the project failed to reproduce spawn for over 13 months, partially due to the fact that MAFS had no budget to spend on the laboratory, but one would argue also a general inertia in the Ministry to act swiftly in order to ensure that the 3,000 farmers that had become reliant on the laboratory were not left in the lurch. This has had an adverse impact on the women that rely on the laboratory for spawn. It is hard to believe that MAFS and the staff at the laboratory only managed to plan and execute a visit to South Africa for new spawn a full year after the initial spawn died. However, capacity has been built and the laboratory should be able to get back to production once spawn has been procured. There were also welcome signs that the Ministry of Finance will commit around M1,5 million (US\$ 114 000) to MAFS specifically to support the continuous production of mushroom spawn. However, full sign-off is only expected in the next financial year, meaning production could start later in 2017.
137. Positive impact is noticeable within the DSQA – the department noted that prior to this project and Tier one activities, they had no idea regarding the breadth and depth of international standard requirements. The insights came from having been on study tours to Kenya and South Africa and having had on-going training. There is clarity within DSQA that an institutional arrangement is necessary to clarify who sets, certifies and test standards within the country. In relation to the HPTD, progress was made on supporting farmers to understand the standards environment.
138. A 'Buyers Requirement Guide' was developed in both English and Sesotho and training took place in English, with Sesotho training to have been held shortly after the final evaluation field trip. This guide explains in detail, but in simple, relatable language, the steps farmers need to

take to ensure that their produce will meet requirements of retailers and the hospitality industry in Lesotho. Training was also conducted on important aspects of traceability, bar coding and packaging, food safety, inspection of horticulture produce and global Good Agricultural Practices (GAP) standards. Although very useful, it is unclear that the farmers can take any of this training forward as they are so far from exporting their produce, so the impact remains small.

3.5 SUSTAINABILITY

139. The evaluators found that the sustainability of the HPTD to be unsatisfactory and scores this area a (2). The sustainability of this project shows largely unattained results, clearly outweighing positive results.
140. Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn at project closure. Projects need to be environmentally as well as financially sustainable. There are significant concerns regarding the sustainability aspect of the HPTD, although limited to a few areas. The core activity of greenhouse production is expected to remain sustainable as farmers have been able to produce continuously even without government support services.

Table 11: Evaluation of Sustainability

OUTCOME	Sustainability of Horticulture Productivity (Where 6 is the highest)	Sustainability of Trade Development	Mean
1. Enhanced skills and knowledge of smallholder farmers and their cooperatives in the use of appropriate technology in production of high-value FFVs	5	2	3
2. Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever-growing demand for the spawn in Lesotho	4	2	3
3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.	4	3	3
4. Strengthened consolidation of market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets	1	1	1
5. Improved financial management skills among target coops/smallholder farmers and as well as capacity enhanced to receive bank loans.	2	1	1
OVERALL SUSTAINABILITY SCORE	2		

141. In the absence of Amiran and with MAFS extension officers having had little training in Amiran's techniques, one could argue that greenhouse farmers' skills will gradually deteriorate. But it can also be argued that farmers generally learn by trial and error and that there is considerable support to be had from local suppliers of inputs, exchange of knowledge between greenhouse producers through their informal face-to-face and virtual networks and even, in some instances, through continued contact with Amiran by cell phone. Although this support from Amiran is not an official contractual obligation, the greenhouse farmers connected on a personal level with Amiran officers and built relationships that can last. Ultimately, it will probably be up to farmers' own determination to continue producing because of the income and nutrition benefits that greenhouses are capable of delivering, that will matter most in respect of skills acquisition and retention. As the findings above indicate, the great majority of HPTD producers seem to have

experienced the benefits of their greenhouses and have decided that they will continue producing in spite of the difficulties of getting optimal inputs and technical assistance. It is therefore reasonable to conclude that their skill levels will gradually grow, even if not as fast as they might have with better local technical assistance.

142. Though maybe not quite as strongly, much the same outlook applies to financial management as to technical skills, that is, those who are committed enough – probably the majority – will gradually acquire the skills that were acquired both by trial and errors as well as training received under the HPTD. In principle, this should increase their ability to borrow commercially, but in practice it is likely that banks will still be reluctant to lend to what they see as a high risk activity. More likely lenders are non-bank entities such as off-takers or input suppliers who interact with and know the capability and track record of individual producers. Loans can be expected to be sought mainly for capital improvements, rather than for recurrent inputs, perhaps increasing the likelihood of their being awarded.
143. As soon as production is resumed at the mushroom laboratory (hopefully later in 2017), it is expected that it will be able to sustainably produce spawn for local producers. It is further expected that Chinese support will reach the site within a few months for another 2-3 year project of support. During this period, it is expected that spawn off-takers will regain their confidence in the plant and rebuild the production of mushrooms. In the interim the situation at the laboratory site is dismal with little to no activity taking place. More upsetting is the derelict state the equipment and site has been left in. Women mushroom producers are turned away on a near daily basis.
144. DSQA is expected to continue its endeavour to establish a Lesotho Bureau of Standards. During the FE field phase the MTI indicated that a tender had gone out for the physical building and equipment for such a bureau. Training gained during the HPTD will become very valuable once progress has been made with physical infrastructure. Farmer training might need to be updated periodically, but at least they will not start from a low base in terms of understanding standards and record-keeping.
145. Major concerns, however, exist regarding the sustainability of the Market Centre. At the time of the FE the building site had been identified and all equipment sourced to establish a state of the art processing, packaging and distribution centre. However, concerns remain over the operationalization of the centre and whether enough produce will reach it to become profitable.
146. The SADP programme has shown that if field extension officers are necessary for the successful set-up of greenhouse production, these should ideally come from the private sector or staff associated with the programme. MAFS lacks funding, human capital and vehicles to offer this service to remote greenhouse farmers. The FE found that sufficient local capacity and support groups have been built for the sustainability of the greenhouse farmers to continue.
147. No exit strategy or sustainability plan was shared with the evaluation team. These are still being developed during the final extension period of the project, which should last until September 2017.

3.6 OVERALL SCORE

148. The overall score for the project is a (2), which shows that the project had many problems resulting in largely unattained results, clearly outweighing positive results. The evaluation team has found efforts towards Outcome 1 to be critically important towards achieving the goal of poverty alleviation and the building of productive capacities and wants to highlight that the approach in procuring and distributing greenhouses with Amiran as partner was well executed. The other Outcome areas were less successful.

Table 12: Overall Evaluation Score

OUTCOME	Overall Evaluation Score of Horticulture Productivity (Where 6 is the highest)	Overall Evaluation Score of Trade Development	Mean
1. Enhanced skills and knowledge of smallholder farmers and their cooperatives in the use of appropriate technology in production of high-value FFVs	5	2	3
2. Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever-growing demand for the spawn in Lesotho	2	2	2
3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.	4	3	3
4. Strengthened consolidation of market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets	1	1	1
5. Improved financial management skills among target coops/smallholder farmers and as well as capacity enhanced to receive bank loans.	2	2	2
OVERALL SCORE FOR PROJECT	2		

4. ASSESSMENT OF IMPLEMENTATION AND DELIVERY

4.1 MANAGEMENT ARRANGEMENTS AND INTERVENTION STRATEGY

149. The overall management arrangements for the HPTD project were well conceived and executed. The choice of the Lesotho-based Project Manager was excellent the person selected is generally highly regarded and has excellent contacts throughout Lesotho, especially within government. She knew exactly how to get the project moving, which political processes to follow and where to step lightly. Her commitment and dedication to the project has also been commendable. The Project Manager struggled with a few personality clashes, which were highlighted within the MTE, but these difficulties were partially resolved once the NIU was absorbed into the office of the Chief Economic Planner in the MTI. As mentioned above, ITC pushed hard at the inception of the project to get the project launched at a time when political infighting had resulted in certain inertia in Lesotho. The appointment of the Lesotho-based Project Manager, however, did not sit well with some individuals within the MTI and resulted in her experiencing problems within MTI with securing office space, furniture and project support. This lasted for the duration of the project and was evidenced by the lack of knowledge of or interest in the project by the Department of Trade in MTI, which should have been the natural champion of the HPTD. The FE, however, found the department asking the evaluation team questions about implementation, impact and sustainability, rather than informing the evaluation team on progress made.

150. The intervention strategy was further well thought through and the partners in government well assigned to their various Outputs. Activities were impacted by the split in the Ministry of Trade, resulting in the Marketing Department moving to a ministry external to the project. However, the impact was not significant and most of the marketing related activities are on track to being completed.
151. An MTE was conducted in 2015 which resulted in 12 key recommendations being put forward to the implementation team. Table 1 above shows the recommendations, the management response, and which were implemented by management. Out of the 12 MTE recommendations, seven were accepted, four partially accepted and one rejected¹⁹. The evaluation team found that three of the MTE recommendations were implemented with positive results, however the others were not, with negative effects on project delivery.
152. The failure to renew the product document (MTE Recommendation 1) to reflect buy-in and consultation from all relevant stakeholders meant that the politicisation of certain project activities and assets plagued the project right to the end. Assigning responsibilities for project activities and ensuring proper follow-up became difficult in an environment where stakeholders did not feel properly consulted at inception, resulting in their not acknowledging ownership over the results of the project. Without the proper oversight and guidance from the National Steering Committee (NSC) or the Project Steering Committee (PSC), many activities fell by the wayside as each party assumed another would ensure implementation, or were simply not aware of their responsibility as contained in the project documentation. It is recommended that independent evaluators should follow-up on progress in the period between the MTE and the FE to ensure that recommendations are in fact being implemented.
153. The FE found that the same problems that had a negative effect on the project at the time of the MTE continued during the course of the project, however, the Project Manager managed to circumvent some of the problems and ensured that a portion of the project was indeed implemented. The limited uptake of improved monitoring and evaluation practices (MTE Recommendation 11) has meant that little reliable data on beneficiary incomes and livelihood improvements was collected throughout the project. Finally, the failure to increase support to the mushroom laboratory (MTE Recommendation 4) and ensure continuation of activities has resulted in the collapse of mushroom spawn production, negatively affecting project outputs and impact.
154. Neither the Project Steering Committee nor the National Steering Committee has met since the MTE. At the time of the MTE it was felt that these two bodies were important to revive and use as stakeholder consultation forums as well as oversight bodies. The project was implemented regardless of the lack of meetings. As pointed out, it has become apparent that key units within MTI were unaware of project details, indicating a major lack of communication between ministerial departments. This has resulted in some delays in activities and confusion on roles and responsibilities.
155. The relationship with MAFS was more complex and there was a period during which the ministry withdrew itself from the project, as noted in the MTE. However, the problems were addressed and MAFS eventually re-engaged with the project. Unfortunately the period during which they

¹⁹ Midterm Evaluation Lesotho HPTD Project Management Response and Action Plan, dated 25 February 2016.

were absent was crucial to the training of MAFS extension officers on Amiran greenhouse technology. The training that occurred later was inadequate.

156. At the time of the MTE there were concerns regarding the inclusion of LNDC as a partner to the project as its role was limited to securing a site for the Market Centre. The MTE had recommended (MTE Recommendation 3) that BEDCO be drawn in as a more formal partner in order to assist with the development of SME's. This recommendation was rejected. However, LNDC did eventually make a site available for the Market Centre.
157. The large, international retail chains, Pick n Pay and Shoprite, have become important stakeholders, although their role has never been officially recognized. They have played in key role in buying produce from farmers and encouraging them to produce quality and higher quantities of FFV, as well as giving them pointers on how to sequence production.
158. The project received good backstopping from ITC. The Office for Africa was responsible for the implementation of the HPTD project. The ITC-based Project Manager made frequent trips to Lesotho, especially if he was visiting Southern Africa for different reasons. The Lesotho-based Project Manager came to see him as a mentor and ally and frequently called or emailed for advice and input. ITC has even gone beyond its mandate and is assisting Lesotho in the drafting of the business model for the Market Centre. It is clear that ITC and its personnel have been deeply invested in the success of this project. However, the FE had some difficulty in securing documents from both the Lesotho-based Project Manager and the ITC-based Project Manager in Office for Africa. As such the FE has not seen evidence that changes were agreed to the logframe nor has the evaluation team seen detailed financial breakdown of costs per component and activities.

4.1.1 IMPLEMENTATION OF ACTIVITIES AND RESULTS, ATTAINMENT OF OBJECTIVES

159. Table 13 below lists the activities of the HPTD against the Outputs as contained in the Logframe to the HPTD. The logframe did not remain an active document during the lifespan of the HPTD, changes were never formally recorded nor the logframe updated. This oversight, in conjunction with the absence of detailed financial reports being availed to the evaluation team, has made it difficult to gain a full understanding of the extent of project completion.
160. In so far as it has been possible, table 13 gives the description of the activity and gives an explanation of the result of the activity. The green highlighted activities were achieved, orange were partially achieved and red were not achieved. While the red activities seem to overshadow the orange and green, this is partially due to the delay in operationalising the Market Centre and the inability of the farmers to reach the level of becoming exporters. A number of unimplemented activities as they relate to Outcome 3 are awaiting DSQA to move into a new building where all equipment can safely be implemented and used. Other activities are waiting on the passing of the Standards Bill through Parliament.

Table 13: Progress Against Logframe Outputs and Activities

Development Objective: : Contribution to the reduction of rural poverty and enhance sustainable economic growth in Lesotho		
Purpose: Build capacity of Lesotho cooperatives and their members to deliver to the markets high-value FFVs, through improved commercial and competitive value/supply chains.		
Outputs	Activity Progress	Description of Activity
Outcome One: Enhanced skills and knowledge of Smallholder farmers (SMEs) and their cooperatives in the use of appropriate technology in production of high-value FFVs		
<p>Output 1.1 Provision of assistance to the DSQA and the MAFS in developing ToRs for the procurement and supply of relevant agro-technology and related training, using same public tender processes that effectively delivered good results in the previous (IF)Mushroom project.</p>	<p>1.1.1 Identification by MAFS and DSQA of specifications of relevant equipment and their functionality</p> <p>1.1.2 Preparation of ToRs for public tender processes</p> <p>1.1.3 Conduct a public tender procurement of the required DSQA and MAFS equipment</p>	<p>STATUS : Completed</p> <p>Installation of 115 greenhouses across the 4 target districts: Mafeteng, Maseru, Berea, and Leribe has been achieved. The shortfall of 25 greenhouses from the project target of 140 is due to exchange fluctuations and price changes over time. The distribution of greenhouses is as follows: Mafeteng: 25 greenhouses and hail nets Maseru:30 greenhouses and hail nets Berea: 33 greenhouses and hail nets Leribe: 27 greenhouses and hail nets</p> <p>Amiran provided support to greenhouse installation and training to farmers on use and management of greenhouses as well as appropriate agronomic practices which included:</p> <ul style="list-style-type: none"> • Growing techniques - irrigation, crop husbandry, pest control, environment, plant health and occupational safety, • Record keeping, • Traceability and • Good Agricultural Practice (GAP)
<p>Output 1.2 Procurement and delivery of required equipment and support services to the DSQA and MAFS and including special training for the benefit of the cooperatives and their members.</p>	<p>1.2.1 Identify and select group of smallholder farmers to be supplied with relevant agro-technology.</p> <p>1.2.2 Procurement of the requisite equipment and its delivery to Lesotho,</p> <p>1.2.3 Installation of agro-technology onto selected beneficiaries cooperatives/farms</p> <p>1.2.4 Identification and assignment of Technical Experts by MAFS to the project towards coordinating and provision of Agricultural Extension and Agronomical Services to SMEs under the greenhouse or any other appropriate technology.</p> <p>1.2.5 Conduct training and coaching workshops by technical experts on:</p> <ul style="list-style-type: none"> - Growing techniques - irrigation, crop husbandry, pest control, environment, plant health and occupational safety, - Record keeping, - Traceability and - Good Agricultural Practice (GAP) <p>1.2.6 Provision of training and creation of awareness among</p>	<p>Training and support was given by Amiran staff in Lesotho for 3 months with each phase of greenhouse installation. The HPTD project assistant has supplied on-going support to farmers throughout the project. Farmers continue to communicate with Amiran via Whatsapp.</p> <p>HPTD have handed over responsibility of agricultural extension support and greenhouse maintenance to MAFS.</p>

	<p>cooperatives on sustainable use of technology within the agricultural trade operations.</p>	
<p>Outcome Two: Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever growing demand for the spawn in Lesotho</p>		
<p>Output 2.1 Expanded production and storage capacity of the Central Mother Unit for the Mushroom spawn</p>	<p>2.1.1 MAFS conducts an assessment of the volume and frequency of spawn demand by local Basotho farmers.</p> <p>2.1.2 Procurement and installation of the appropriate equipment at the identified production premises. Wavered.</p> <p>2.1.3 Provision by DSQA of training on product quality management to the mushroom growers at the Masianokeng premises</p>	<p>STATUS : Partially Completed</p> <p>Capacity building of farmers as well as mushroom production technicians was conducted during the early phases of the project. MAFS staff was trained in Stellenbosch on the technical aspects of spawn production and marketing and further conducted a study tour to China. During this study tour, the relationship between China and Lesotho was strengthened and the Chinese began providing development assistance to Lesotho mushroom spawn production.</p> <p>Equipment for the Central Mother Unit was wavered in favour of the procurement of vehicles for the project.</p> <p>Farmer demand for spawn increased significantly and a few farmers reported having established secure market for their mushroom produce, selling to hotels, restaurants, a hospital (Maluti Seven Day in Mapoteng) and a mining company (Liqhobong).</p> <p>Government of China support to mushroom production included the placement of Chinese technicians at the laboratory, the procurement of new equipment (the ITC procured equipment had quality issues), and the training of local MAFS staff. One staff member spent 3 years in China learning about mushroom production. However, the Chinese pulled out of supporting mushroom production in June 2015.</p> <p>In December 2015 and January 2016, Lesotho experienced unprecedented heat and the spawn did not survive. GoL were unable to provide the financial support needed to procure spawn and production inputs. As a result, the mushroom spawn production collapsed. Trained staff are currently not engaged with mushroom activities. However the skills and capacity remain within MAFS to continue production. There are reported prospects of the Chinese returning in March 2017.</p>

<p>Output 2.2 Establishment of three Export Production Cooperatives (EPC)s.</p>	<p>2.2.1 Extension of the block farming scheme to enhance establishment of three Export Production Cooperatives/ Villages (EPV)s</p> <p>2.2.2 Provision of training of Technical Experts in establishment of EPCs</p> <p>2.2.3 Identify and select target sectors suitable for export oriented co-operatives based on sector analysis studies</p> <p>2.2.4 Conduct feasibility studies for the establishment of new structures which meet market needs.</p> <p>2.2.5 Prepare strategic plans and roadmap for establishing new EPCs</p> <p>2.2.6 Governance structures in place and new EPCs launched.</p>	<p>STATUS: No Longer Applicable/Not Completed</p> <p>Although the FE has seen no evidence in this regard, it was agreed between ITC and the implementation unit that these activities would not take place. Funds were redirected to the Market Centre. Under the HPTD no EPCs were established and they are not deemed to be a necessary activity at this stage by the evaluation team because it was found that most of the farmers and associated cooperatives are not in a position to export produce. An EPC would not be a viable entity at this point. An assessment was conducted on two production entities (Alosang Enterprise and Lebahofa Cooperative), both were found not to be in a position to export. Issues around meeting market requirements and volumes prevent export. Producers are currently supplying the local market, both informally and formally [restaurants, hotel (Avani) and retailers (Pick n Pay and Shoprite)].</p>
<p>Outcome 3: Strengthened capacity of the Department of Standards and Quality Assurance (DSQA) to deliver Quality Assessment support services to SMEs</p>		
<p>Output 3.1 Provision of technical assistance to the DSQA towards improving their support to cooperatives in quality control issues.</p>	<p>3.1.1 Procurement and installation of modern equipment for chemical analysis for the soils laboratory at the Agricultural Research department (MAFS) to be a functional testing facility for proper research and chemical analysis.</p> <p>3.1.2 Recruit and train staff to inspect, test and certify agro products.</p> <p>3.1.3 Design and implement a programme for Food Laboratory support services towards:</p> <ul style="list-style-type: none"> - Phyto-sanitary services to facilitate exports and imports of agricultural Commodities and products. - Provision of soil fertility testing services to farmers - Pests diagnosis (identification and issuance of control recommendations) <p>3.1.4 Implement a GLOBALGAP compliance training for the local producers and exporters</p>	<p>STATUS: Partially Completed</p> <p>The ITC project supported the DSQA with:</p> <ul style="list-style-type: none"> - Procurement of 5 Inspection kits. However these kits are currently not in use as producers are not exporting. - Training on inspection procedures for DSQA took place. The training covered the areas of soil analysis and plant pest and disease detection and analysis. <p>The inspection of produce and its certification is currently not operational. Although the operationalisation of the Standards Bill is underway, which will result in the construction of a testing laboratory, these service are not currently required in Lesotho as there is not high volumes of FFVs being exported. Those that are, are tested in South Africa. The skills and equipment can be used to verify standards of produce going in to local supermarkets.</p>
<p>Output 3.2 Provision of technical training and advisory services, jointly with both the Department of Crops and the DSQA towards building the</p>	<p>3.2.1 Conduct awareness raising workshop on SPS issues, supply chain issues, packaging, food safety and quality requirements, business matching solutions and branding</p> <p>3.2.2 Develop Packaging Practice Guide for horticulture products (FFV)</p>	<p>STATUS: Partially Completed</p> <p>The ITC project supports the DSQA with a number of capacity building activities which included:</p> <ul style="list-style-type: none"> - An assessment of the local and international market requirements to understand were the capacity and equipment gaps in Lesotho exist.

<p>effectiveness of the FFV cooperatives.</p>	<p>3.2.3 Conduct workshop on food safety, quality and traceability.</p> <p>3.2.4 Train and design FFV traceability system covering the entire supply chain;</p> <p>3.2.5 Conduct training to selected teams on food safety systems - HACCP/ISO 22000.</p> <p>3.2.6 Conduct training to smallholder farmers on improvement of hygiene and food safety within the FFV sphere.</p> <p>3.2.7 Register Lesotho to the Global System 1 (GS1) in Brussels to enable adopting of global bar-codes and product tracking system for the local products</p> <p>3.2.8 Conduct training and awareness of the locals in use of bar-codes and product traceability</p> <p>3.2.9 Design technical training material on quality and conduct training workshops for various target groups</p> <p>3.2.10 Create communication material and radio/TV programmes for inculcating 'quality' in the population, producers groups and related cooperatives</p>	<ul style="list-style-type: none"> - Study visits to Kenya and South Africa. - Workshops and training events that cover food safety, quality, packaging and traceability. - Production of a Buyer's Manual for FFVs. - Training on GS1 and the adoption of bar-coding. Close to 20 SMEs trained on barcoding. System established. Due to low volumes, Lesotho was unable to register on the GS1 system in Brussels. However, managed to gain registration under South Africa. - Food Matrix traceability system installed and training conducted for selected SMEs. - Product specific training on quality assessment set by the PPECB of South Africa was conducted. The products included: peaches, strawberries, apples, asparagus, cabbage, peppers, cucumbers, mushrooms, and tomatoes. <p>Relating to 3.2.7: ITC and the MTI were advised by GS1 Brussels that Lesotho was too tiny a market for them and that it was best that Lesotho become part of the South African GS1 registration and from which they would get their traceability and bar codes system. South Africans came to train Basotho people and ITC proceeded to buy 40 crates and bar codes for that purpose</p>
<p>Output 3.3 Established and strengthened Agricultural Standards and Certification Framework for fresh produce production in Lesotho.</p>	<p>3.3.1 Design and implement a legal framework for basic metrology infrastructure covering the regulation of weighing instruments used for trade, the labelling and sale of goods, and the use of legal units of measurement.</p> <p>3.3.2 Develop product certification marks according to SADC's standards and technical regulations.</p>	<p>STATUS: Not Completed</p> <p>This activity is premature given the status of export in FFVs in Lesotho. This activity has not been done and would take place in a follow up project/phase and once the Standards Bill is passed.</p>
<p>Outcome 4: Strengthened consolidation/commercial market centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets</p>		
<p>Output 4.1 Provision of assistance to the MTICM and the LNDC in developing a sector strategy and support services for the Market Centre to enable it to coordinate and manage product quality, packaging and access to finance in</p>	<p>4.1.1 Identification of local organization to be the commercial product consolidation and distribution centre linking to number of retailers</p> <p>4.1.2 Conduct transport and logistics survey with respect to supply of FFVs from SMEs producers to the centre</p> <p>4.1.3 Conduct training in food supply chain strategies linked to</p>	<p>STATUS: Partially Completed</p> <p>A site for the Market Centre has been chosen in the Ha Tikoe industrial area. It is an LNDC-owned industrial site. The site has been refurbished by ITC with equipment to run a functional Market Centre. This includes cold storage units, processing and transport equipment, a generator, and computers and printers.</p> <p>The site is currently not operational. MTI committed to taking over the financial and operational management of the centre. This</p>

<p>the supply /value chain process</p>	<p>4.1.4 consolidation and distribution centres. Assist processing centres to implement quality management systems at the Consolidation & Market Centre</p>	<p>has been handed over to MTI who are in the process of adopting a business model. It is envisaged that the centre will be run by a private operator.</p>
<p>Output 4.2 Provision of technical training and advisory services to cooperatives and related smallholder farmers on issues such as product quality, market intelligence, packaging, and product branding.</p>	<p>4.2.1 Conduct market review and buyer requirements, and supply chain capabilities to identify best fit, gaps in performance and implement solutions towards better volumes, varieties and predictability of supply.</p> <p>4.2.2 Define and agree information needs for the various entities in the value chains and cooperatives</p> <p>4.2.3 Provide pre-retailing services such as packing and hanging of goods;</p> <p>4.2.4 Provide growers and Consolidation Centre staff with exposure mission to Johannesburg Fresh Produce Markets or retail chanced to support SME knowledge development.</p>	<p>STATUS: Not Completed The output was dependant on the operationalisation of the Market Centre and therefore had not been achieved.</p>
<p>Output 4.3 Provision of training and technical material on gender and youth mainstreaming in the services of Market Centre and the beneficiary cooperatives.</p>	<p>4.3.1 Design technical training material on gender and youth within the agriculture trade operations of the Market Centre.</p> <p>4.3.2 Conduct training and awareness of the cooperatives in gender and youth within the agriculture trade operations of the Market Centre.</p>	<p>STATUS: Not Completed The output was dependant on the operationalisation of the Market Centre and therefore had not been achieved.</p>
<p>Output 4.4 Design and implement an IT based commodity market platform accessible by SMEs via mobile SMS and linking cooperatives to the Market Centre.</p>	<p>4.4.1 Establish a sustainable Market Information System (daily price, production volumes, available products and demand) to be used as a computerised platform of a commodity exchange within Lesotho.</p> <p>4.4.2 Create awareness on the use of mobile phone (SMS) technology in selling/marketing of agro-commodities by smallholder farmers and coops.</p>	<p>STATUS: Partially Completed ITC has installed 3 computers and a common server in the 3 Ministries (MTI, MAFS and MSBD) and also provided training, covering data uploading and use of mobiles phones / computers by SMEs and greenhouse owners / producers. The training was conducted on 22-24 June 2016, and for 23 representatives from several organizations: Ministry of Trade and Industry, Ministry of Agriculture and Food Security and Ministry of Small Business Development Cooperatives and Marketing, Lesotho National farmers Union and Lesotho Smallholder Agricultural Development Project. A common database, the Horticulture Collaboration Suite, was developed by ITC experts. However, data collection to input into system has stalled. Following the operationalisation of the Market Centre, the SMEs will be linked via mobile SMS.</p>

<p>Output 4.5 Provision of technical assistance to design and implement a sector strategy that drives vertical/backward business linkages</p> <p>Output 4.6 Private sector leading supply/value chain processes between producers and exporters</p>	<p>4.5.1 Assist MAFS, MTICM and associate producers groups in designing and formulation of sector strategy development in 3 districts</p> <p>4.5.2 Conduct training in food supply chain strategies linked to consolidation and distribution centres, to include packaging, quality, supply chain, branding and labelling.</p> <p>4.5.3 Provision of advisory support/guidance to cooperatives on structuring and managing profitable FFV supply/value chain services</p> <p>4.6.1 Conduct a baseline data and information gathering exercise (status of existing development activities, producer's situation, buyers and customers' requirements)</p> <p>4.6.2 Organize a consultative meeting with government agencies, buyers and other key value chain stakeholders to identify products and segments to specialize in</p> <p>4.6.3 Sign an MoU with identified business organization to coordinate linkages with domestic and external markets</p>	<p>STATUS: Not Completed</p> <p>The output was dependent on the operationalisation of the Market Centre and therefore had not been achieved.</p>
<p>Output 4.7 Provision of accompaniment to cooperatives and related smallholder farmers on identification of buyers, negotiation and signature of trade contracts.</p>	<p>4.7.1 Recruit consultant / consulting firm (national) to assess the delivery capacities</p> <p>4.7.2 Sensitize the potential buyers about the existence, roles and accessibility to the smallholder farmers, the coops, and the integrating MC hub</p> <p>4.7.3 Matching offer and demand and signing contracts</p> <p>4.7.4 Supervisory services in first deliveries and payments</p>	<p>STATUS: Not Completed</p> <p>The output was dependent on the operationalisation of the Market Centre and therefore had not been achieved.</p>
<p>Outcome 5: Improved financial management skills among target farmers and capacity enhanced to repay bank loans</p>		
<p>Output 5.1 New and diversified financial solutions for SMEs developed and provided to cooperatives</p>	<p>5.1.1 Conduct mapping exercise to identify constraints on access to finance for smallholder farmers</p> <p>5.1.2 Design a finance scheme that links Credit Guarantee Scheme Secretariat-(CGSS); Ministry of Finance as guarantor of SME bank loans;</p> <p>5.1.3 Design a targeted facility to link producers to financial support services.</p>	<p>STATUS: Partially completed</p> <p>Beneficiary farmers and cooperatives received training in financial intelligence which covered the essentials on financial management for SMEs. This was part of the Amiran training and was delivered to farmers as part of Outcome 1.</p> <p>No financial service provider was brought on board and no linking to IT system took place.</p> <p>The evaluators found that financial support to SMEs was not as critical to success as initially</p>

<p>Output 5.2 Completed delivery of coaching and training programme for selected financial counsellors to support financial management needs of SMEs.</p>	<p>5.2.1 Identify /Select group of qualified persons to train as counsellors.</p> <p>5.2.2 Provision of coaching to smallholder farmers through counsellors and MTICM</p> <p>5.2.3 Provide agro-business advisory and training to SMME institutions involved in the enhancement of microfinance;</p> <p>5.2.4 Provision of book keeping and FFVs business management training to SMEs and related academic institutions.</p>	<p>thought. This is because initial capital injection through Amiran greenhouses and input supply ensured a good cash flow and farmers had enough to save for inputs for the following season.</p> <p>Training did occur on the "Financial Literacy Booklet for Fruits and Vegetables Farmers in Lesotho", which touched on many of the topics outlined here.</p>
<p>Output 5.3 Design and implement an IT based "crop card" system to capture SME production/financial data to enable quantitative and financial statements for bank loans.</p>	<p>5.3.1 Design an ICT-based 'crop card' system for data capturing and generation of financial statements for use by SMEs in bank loan applications</p> <p>5.3.2 Identify set of farmers to pilot the 'crop card' model of agro-financing with banks</p>	<p>STATUS: Not Completed</p> <p>This activity is linked to the function of the Market Centre and therefore has not been implemented yet.</p>
<p>Output 5.4 Resource management capacities improved among target fresh fruit and vegetable coops/smallholder farmers.</p>	<p>5.4.1 Capacity building workshops conducted on strategy and management and service portfolio design and development.</p>	<p>STATUS: Not Completed</p> <p>This activity is linked to the function of the Market Centre and therefore has not been implemented yet.</p>

4.2 ASSESSMENT OF THE EFFECTS

4.2.1 OUTCOMES (INTERMEDIATE OUTCOMES)

161. Table 14 provides an overview of the outcomes of the project and to what extent their achievement (or lack thereof) has affected partners and beneficiaries. The ITC approach to development involves increasing awareness and interest on FFV value chain issues, increasing knowledge, skills and exchange, and improving consensus and feasibility to act of the relevant value chain actors (farmers, buyers, government, and support services).

Table 14: Progress and Effects of the HPTD

Outcome		Progress and Effects
Outcome 1:	Enhanced skills and knowledge of Smallholder farmers (SMEs) and their cooperatives in the use of appropriate technology in production of high-value FFVs;	The HPTD Project was successful in building the capacity of SMEs in adopting greenhouse technologies for high-value FFV production. This has had a significant impact on the livelihoods of SMEs in Lesotho and has contributed to poverty alleviation in the country.
Outcome 2:	Masianokeng Mushroom laboratory provides greater volumes of mushroom spawn for the ever growing demand for the spawn in Lesotho;	Although at the start of the project, increased mushroom volumes at the Masianokeng Mushroom laboratory was providing farmers with the much-needed spawn for production, since the collapse of activity at the facility (due to lack of spawn) farmers have lost potential income. This has negatively impacted the livelihoods of these, mostly women, farmers.

Outcome		Progress and Effects
Outcome 3:	Strengthened capacity of the Department of Standards and Quality Assurance (DSQA) to deliver Quality Assessment support services to SMEs;	The capacity of the DSQA has been built and the technical knowledge and equipment is there to meet quality assessment support to SMEs. However the farmers are not at a point where these services are needed and as such while the outcomes has been achieved the effects of this on the ability of farmers to meet standards criteria is limited.
Outcome 4:	Strengthened consolidation/commercial market centre (MC) that manages an inclusive supply chain services linking cooperatives to domestic and international markets; and	Although a site has been selected and equipment procured for the Market Centre, is it currently not operational. It is difficult to determine the effects of this on farmers as the extent to which the Market Centre is commercially viable is not clear.
Outcome 5:	Improved financial management skills among target farmers and capacity enhanced to repay bank loans.	The financial management skills of the SMEs were increased by the capacity building activities of the project. However SMEs are still not able to effectively access loans for business growth. Nevertheless, the greenhouse and the Amiran inputs provided the SMEs with the capital injection needed to establish and maintain a positive cash flow and save for inputs for the following season.

162. The achievement of Outcome 1, 3 and partly 5 has improved the knowledge and skills of farmers and government staff on the potential benefits of greenhouse technology for FFV production as well as improving their ability to technically and financially manage these sites profitability. Furthermore, the capacity of the farmers and specifically DSQA regarding understanding and gearing towards the meeting of market SPS and food safety standards for FFVs was significantly increased. This places them in a good position to build on this knowledge and independently take steps towards effecting appropriate policy change, establishing the necessary institutions to support this function and addressing standards issues at farm level. This too can be said for the mushroom laboratory. The HPTD project has successfully instilled the appropriate skills and knowledge within the country to independently run the Masianokeng mushroom laboratory. This shows that the HPTD project has empowered the targeted beneficiaries to use the ITC and other partners to obtain and leverage results.

163. However, evidence of converting the gained skills, knowledge and increased awareness into the ability to act and initiate change has been limited for reasons covered extensively in this report, linked to a lack of government funding and prioritisation coupled with the politicisation of key institutions and decision-making structures. Furthermore, the failure to achieve Outcome 4 within the timeframe of the project has further stunted the ability of actors, in particular the smallholder farmers, to access formal market opportunities. Moving from capacity building activities to empowering actors to improve the business environment, take advantage of market opportunities and ultimately increase the competitiveness of SMEs, within the Lesotho context, was over ambitious.

4.2.2 IMPACTS

164. The impact of the project has been discussed in detail under the Evaluation Criteria of the report. The project document states that the purpose of HPTD project is that 'by 2015, knowledge gains and support services allow up to 17,500 SMEs in the agro-subsector to improve the production and supply of good quality agro-products to the market by at least 75% and their incomes by 60-70%, based on increased market access'.

165. Given the political context of Lesotho as well as the low levels of greenhouse horticulture adoption and production in the country, this goal was highly ambitious. Based on site visits and stakeholder interviews, 115 farmers and their hired labour were impacted directly as a result of the greenhouse installation. The cumulative impact on family members and communities is more difficult to determine but even so the number of people impacted is not near 17,500. The first round of production with Amiran inputs and technical support resulted in successfully producing high quality vegetables. It must be noted however that the second round of production saw something of a reduction in the quality and volumes of produce. (It is not anticipated that further reductions will occur as the seeds procured via MFAS will remain available to the farmers.) The quality reductions can be attributed to a number of factors including limited access to high quality inputs and technical assistance, as well as higher income-earning opportunities elsewhere. It is estimated around 85% of the installed greenhouses remain fully operational. The majority of these are still producing high quality tomatoes, green peppers, cucumbers, and spinach.



Hamilton Nkhahle (right) standing in his Amiran greenhouse with HPTD project assistant, Paul Marie. The tomatoes are produced from Amiran inputs and are of a high quality.

166. Rigorous baseline and monitoring and evaluation data was not available and so an accurate assessment on farmer incomes is not possible. However, anecdotal and qualitative evidence can be given. Of the 20 farmers that were visited by the evaluation team, the majority of farmers reported selling to the local informal market, though several also supply retail chains, hotels and restaurants. The farmers reported that this has resulted in a significant increase in their incomes, demonstrated in expanded production sites, more hired labour, new housing and better farming equipment (such as water tanks).
167. Regarding the mushroom farmers, very scant information and evidence of impact is available. The government officer in charge of the mushroom laboratory reported that around 3,000 farmers are recorded to have purchased mushroom spawn from the production site when it was active. According to him, three or four mushroom farmers visit almost on a daily basis to find out if there is any mushroom spawn available for purchase. Interviews with low-income urban female mushroom growers highlight the important role that mushroom production plays in supplementing their incomes. As this source of income has now dried up, the current impact, if any, is extremely low.



A derelict mushroom cooperative in Maseru. This cooperative was producing well when visited during the MTE.

168. Achieving the logframe target of ‘improved international competitiveness of SMEs in developing countries for inclusive and sustainable development’ was an ambitious target that was probably never going to be met within the timeframe of the project. This speaks to the overall design of the project that should have followed a different procedure as discussed elsewhere already. As previously reported, while a few farmers have shown some potential to export, most Lesotho horticulture farmers are still quite a long way off being able to export. At this stage, they do not meet the stringent SPS and food safety standards that are required for product to enter South Africa (and beyond). Currently, the demand for fresh vegetables in Lesotho is being fairly fully met. If there are plans to increase production it will be necessary to ensure that farmers are able to meet the SPS and food safety standards to enable exports, as the local market appears to be approaching saturation. It remains to be seen whether training given under Outcome 3 and the operationalisation of the Market Centre will enable such exports.

4.2.2.1 RANGLAMO MOTUMI – A CASE STUDY OF SUCCESS

169. Rantlamo Motumi received his greenhouse and shade-net as part of the second beneficiary group in 2014. His greenhouse is located on the banks of the Phuthiatsana River in Thaba Bosiu, the ancestral home of Moshoeshoe I, founder of the Basotho nation. Metolong Dam, which supplies water to Maseru and neighbouring lowland towns of Roma and TY is built on the same river, some 30 km above his field. Water is the least of his problems.
170. Motumi had been an active farmer before – planting maize, sorghum, beans and some vegetables on a low scale. On receiving the greenhouse he started producing tomatoes, green, red and yellow peppers, lettuce, spinach and cabbage. To get a handle on the production cycle of all these, he concentrated his time on production, and left his partner to seek markets in Thaba Bosiu and the capital, Maseru, some 30 km away.
171. He says marketing his produce is no longer a problem for him. He has solid supply arrangements with hotels, restaurants and a super market in Maseru, and an orphanage in Thaba Bosiu. Most of them pay him on a monthly basis, while the supermarket pays at the end of each week. His annual income tops M134, 000 (\$10056) – a far cry from the traditional farming days when his

harvest was sold once a year. “With the greenhouse and shade-net I am able to harvest and earn money on a daily basis”, he said.



Mr Motumi’s expanded shade net area.

172. He has four permanent employees who, he says, earn monthly wages and are not paid only during the planting season as happens with customary farming.
173. Since 2014 he has used profits from the sale of his produce to expand and consolidate his production area significantly. He has expanded the planting area under shade-net to more than twice its original size, also enclosing it with netting on the sides. He has replaced the floppy Amiran water tank with a bigger more rigid tank, and is developing a peach orchard on the side.
174. He is also experimenting such that his greenhouse and plots can stay profitably productive throughout the year. Although they initially planted tomatoes and green peppers in the greenhouse during the summer, he has made successful trials of planting some under shade-net at the same time. At the end of March he plans to plant both in the greenhouse, under close watch against the entry of cold air - and expects to start harvesting during the winter months.
175. Unlike many greenhouse owners, he does not complain of theft – because he has a full-time employee who lives on site and guards against night time intruders.
176. Motumi’s biggest worry is the unavailability of the types of seed, fertilizer, pesticides and other chemicals supplied with the Amiran package they received at the outset. The South African hybrids they have tried do not produce the volume and quality of harvest they got from the Amiran seeds. Nor do they match the shelf-life of Amiran varieties. Available pesticides are not suitable for vegetable production as it takes much longer for treated plants to be safe for consumption. He thinks study visits to Kenya or a closer country that has experience in this method of greenhouse production would enable them to form linkages for sourcing inputs, as well as widening the variety of cash crops they can produce.

4.2.2.2 NTSIRELE COOPERATIVE – A CASE STUDY OF FAILURE

177. Ntsirele Cooperative consists of mostly women residents of Ha Mabote on the outskirts of the capital, Maseru. They had been active in producing vegetables as an income-generating activity

in their gardens, and had identified an area of land within their location for greenhouse production. By the time they received their greenhouse local bureaucracy had put a spanner in their operation. The area was close to some high voltage pylons, and for safety reasons, the local chief would not let them operate from there.

178. They finally signed a five-year lease to use a field in Berea, some 30 km away. Reaching the field was a challenge – no direct public transport was available, so they had to walk there daily to look after their plants. Transporting produce into town was expensive as they had to hire a van every time they needed to deliver orders. None of them had a vehicle.
179. Initially their produce was inspiring, and they don't forget the day they brought some to the Ministry of Trade and all of them were bought by cheering officials. But the long walks and transport costs finally took their toll and the cooperative members began to slacken on production. In the beginning the owner of the field was kind enough to overlook their inability to pay the agreed rent. But he eventually removed it from his land when they no longer arrived, and used his land for his own farming activities. The greenhouse and shade-net are currently stored at the home of the farm owner, while the group looks for a suitable piece of land closer to their homes to set them up again.

4.2.2.3 'MATHABO MOTOKO – A CASE STUDY OF SUCCESS

180. 'Mathabo Motoko is a mother of three boys – the youngest being five months old. She has never been employed, but supplemented her husband's salary by growing vegetables for sale on their piece of land. Fortunately for her the land was big enough to accommodate both the greenhouse and the shade-net, enabling her to pass the rigorous selection process in 2014. The family also has five two-room structures for hire in the same yard. One of the rooms serves as a storage area for her produce.
181. 'Mathabo's greenhouse and shade-net area in Ha Abia, on the outskirts of Maseru, was one of the tidiest the consultants had seen throughout their visits. Arriving at her home in the early morning one could not believe that she is a suckling mother. She and her assistant were already rushing about harvesting and cleaning carrots and tomatoes for delivery to customers.
182. She had green peppers and tomatoes in the greenhouse; green beans, carrots, cabbage, beetroot, chilli, cucumber, lettuce, butternut and broccoli in the shade-net. Although broccoli is not a popular vegetable in Basotho homes, she said it sells well at restaurants.
183. The changeover to protected vegetable production has made a huge difference in the income she contributes towards the family's income. In the past she was happy to make M2,000 a year – but now manages to get over M30,000 annually. Her market includes drop-by community members, hawkers, supermarkets and restaurants.
184. A large part of her profits have been ploughed back to improve and expand her production area. The shade-net area is now more than twice its original size; and the floppy Amiran tank has been replaced with two more rigid and bigger tanks. She has also uprooted some fruit trees she had in front of the house in favour of vegetables. She is also looking into the possibility of growing herbs.



'Mathabo's spinach production.

4.2.3 SUSTAINABILITY

185. The purpose of the project as outlined in the logframe was to: build capacity of Lesotho cooperatives and their members to deliver to the markets high-value FFVs, through improved commercial and competitive value/supply chains.
186. The HPTD project aimed to capacitate farmers to produce high quality fresh produce through greenhouse technology. The project partnered with a company in Kenya, Amiran, to procure greenhouses, hail nets, a first season of seeds and to train farmers on optimal, sustainable use of the greenhouses. The partner proved to be competent and managed to procure and deliver on time as well as to provide excellent training to farmers. For a few of the recipients (about 10%) a lasting relationship with Amiran technicians was formed and they remain in cell-phone or social media contact.
187. The project was further designed in such a way that recipients would have enough funds to secure the next season's seed and other inputs from the proceeds of the first harvest. This aspect also worked out well and none of the farmers indicated that they need to borrow money to buy inputs for the next season. One concern is that farmers are presently not able to access the high quality inputs that Amiran supplied and are instead having to buy a lower quality inputs, sometimes from government at subsidized rates. The produce from these inputs tends to be inferior. While it would clearly be desirable for farmers to be able to access Amiran inputs, it does seem that greenhouse production in Lesotho will remain sustainable for the foreseeable future.
188. The project also envisaged that MAFS extension officers would be trained at the same time as the greenhouse recipients. This training would then allow them to give support on a continuous basis to HPTD recipients and other greenhouse farmers in Lesotho. Unfortunately, for reasons already explained, this training did not occur and MAFS is only weakly capacitated to give support. There is also a significant lack of vehicles within the Ministry to reach farmers.
189. The mushroom laboratory has equipped and technicians trained on spawn production. During the evaluation it became clear that MAFS staff at the laboratory were very slow to respond to a crisis. However, it appears that the necessary budget is now being approved and that spawn production will recommence shortly. A large part of HPTD activities focused on capacitating the

DSQA to develop and implement food safety standards in Lesotho. All of these activities were implemented. However, from the evaluation it became clear that Lesotho fresh produce farmers are still a very long way off from exporting to South Africa and beyond and hence the strict adherence to quality and safety standards seems somewhat misplaced. It is, however, hoped that Lesotho fresh produce output will continue to grow and that the training given at DSQA and on record keeping and GAP standards will become common practice.

190. The Market Centre's operationalization was an incomplete activity of the HPTD project and it is difficult to draw conclusions on whether the Centre has been set up in a sustainable manner. One concern is that the volumes of fresh produce necessary to make the centre profitable are not currently being produced in Lesotho. The business plan assumes that South African border towns will be attracted to sending their produce to Maseru rather than directly to Bloemfontein. Unless this materializes the Market Centre could well become underused and financially unsustainable in the long run.

5. LESSONS LEARNED AND GOOD PRACTICES

5.1. LESSONS LEARNED

191. The HPTD project has had a number of experiences and learned lessons that have relevance and applicability to other ITC projects and programmes in Lesotho and beyond. The lessons presented below highlight the strengths and weaknesses of project design and implementation.
- a. **Project Design** - The MTE highlighted that all relevant partners (EIF, NIU and government departments – MTICM and MAFS) need to be on board during project design, approval and implementation. The omission of MTICM's planning department as well as of MAFS and its planning department during the writing of the project proposal and the further omission of approval from the MNDP's Project Appraisal Committee (PAC) resulted in a breakdown of the relationship between key implementing partners, MTICM and MAFS for the duration of the project. Although in recent months relationships seem to have been repaired, this situation has negatively impacted the implementation of the project. The FE has also found that ITC should form part of project design and should ensure the buy-in of all key stakeholders before assuming responsibility for project implementation.
 - b. **Theory of Change and Risk Management** – The project design did not fully consider the underlying assumptions around political and macroeconomic stability and the extent to which instability would damage project implementation. Lesotho's political fluidity has been a reality for a number of years now and no recognition was given during the project design that this could pose a serious threat to the implementation of the full HPTD. No mitigation strategies were formulated in the event of a break-down of political relationships and the effect this might have on parliamentary processes. Without a Standards Act the HPTD Project capacity building work at MTICM DSQA might well not result in Lesotho being able to export FFV given the lack of legal framework for standards certification.
 - c. **Use more explicit Market System and Value Chain Analysis** - Understanding the value chain and wider market system before committing to activities and partners is important. While this can never anticipate everything, it does however mean that someone should be addressing each part of the value chain. If that agent is not project management, it is at least the job of

the project to understand which agents are capable of addressing barriers to success. The lack of access to high quality inputs, extension support and transport for farmers means that activities, as they stand, lead to sub-optimal results. From a higher-level/ITC viewpoint, the wider market system and economic development factors should also be factored in so that there is a sufficiently ambitious, but realistic vision to overcome structural barriers and not perpetuate a sub-optimal system.

- d. Sequencing of activities** – It is important to get the sequencing of activities right. In the HPTD project there were instances where the sequencing of activities seemed to be counter-logical. For instance, at the time of writing this report, a business plan for the Market Centre had not been developed and it remains to be seen whether it can be profitably run by either a public or private sector player. Nevertheless the equipment and physical infrastructure have been procured and put in place. Currently the Market Centre is sitting idle. Although building the capacity of the DSQA to conduct product inspection is an important activity, it seems premature in light of the reality that farmers are not close to exporting at scale. Focus should rather have been directed to increasing extension support and to the training of farmers to meet standards.
- e. Investing in Due Diligence and Contracts** - Investing in a thorough due diligence process prior to greenhouse distribution or beneficiary selection is a necessary step to ensure the efficient use of funds. Thorough preliminary feasibility studies are crucial, for example, of the likelihood of Lesotho FFV exports' being able to compete on South African and other external markets, especially given the transport costs involved. Going forward, it is suggested that a deeper due diligence process is conducted as opposed to the 'light touch' approach used in this project. This should be coupled with contractual obligations being clearly laid out and signed by all parties.
- f. Focus on Individual Farmers rather than on Cooperatives** - It was clear from discussions with numerous stakeholders that production cooperatives in Lesotho are weak and have a high failure rate. Greenhouse production is difficult in a cooperative structure where the likelihood of free-riding behavior by members is high. Individual greenhouse farmers have proved to be a lot more successful in this project. If successful cooperative production is a priority, then appropriate training and support should be given, in particular in respect of governance, institutional and organizational development and incentive structures.
- g. Invest in Monitoring and Evaluation from Inception** – A lack of a baseline and quantitative data on progress has limited the ability of the project to accurately report on impact. Furthermore, an effective M&E system plays a vital role in ensuring that project activities work towards achieving targets.
- h. Having a contingency budget line** – The mushroom laboratory failed to restart operations after the heatwave destroyed the spawn. Had the HPTD project had a contingency budget it would have been able to restart production immediately and not have left the large group of women farmers in the lurch.

5.2. GOOD PRACTICES

192. The HPTD project has been successful in enabling beneficiaries to become economically viable. By giving recipients a fully-fledged and kitted-out greenhouse and enough seed and other inputs to ensure one successful harvest, none of the farmers has had to borrow money or put down any matching funding or collateral. Once the farmers had been able to sell their first harvest, they had enough funding to put away for all the input costs for a second harvest. The financial training given has also proved very useful in enabling farmers to see beyond the immediate harvest. Having the real impact of cash in pocket has meant that most farmers have immediately seen the value of continued production and have strengthened their financial situation year-on-year. This situation is by far preferred over other greenhouse programmes, such as the SADP, where recipients have had to match funding received, resulting in many having to secure a loan before commencing production.
193. Study tours arranged for DSQA and MAFS officials, who benefitted from the visits to Stellenbosch and China. These life events in an LDC official's career seem to have real meaningful and lasting impact. The DSQA officials mentioned that they could see and finally understand the broad spectrum of services that a bureau of standards should offer and the MAFS officials were deeply impressed by the horticultural practices of the Chinese.
194. The inclusion of a three month installation and training period in the package deal negotiated with Amiran proved to be critical. Having an expert on call with whom the farmers could build a relationship that will last beyond the HPTD project has proven invaluable to the success of the project.

5.3. CONSTRAINTS

195. Constraints noticed during the evaluation include the difficulty of implementing a project within a highly contested political environment. Factional disagreements within a coalition government caused many of the problems experienced in this project, including the mis- or non-use of vehicles procured for the project and the withdrawal of MAFS that resulted in the inadequate training of extension officers. Where applicable and feasible, the private sector or NGOs should be drawn into training and other activities as the likelihood that they will persevere within a difficult political climate may be greater than if civil servants are involved. If this is correct, it would have made sense to capacitate local farmer organizations to be trained as extension officers and to capacitate SMEs to procure the inputs needed for continuous produce production. The delay at the mushroom laboratory has also shown that the private sector can respond much faster to a crisis situation than government. Whilst civil servants were waiting for budget approval, smallholder mushroom farmers jumped into action to secure spawn in different ways.

6. RECOMMENDATIONS

6.1. ISSUES RESOLVED DURING THE EVALUATION

196. The TOR to this evaluation mandated the team to examine the appropriate use of technology to increase productive capacity of the Masianokeng mushroom laboratory. However, from initial interviews during the inception phase it was understood that the entire mushroom project had ground to a halt. The evaluation team feared that mushroom production had been entirely lost, but upon visiting the site and engaging with MFAS officials, it became clear that despite a hiatus of over 14 months, plans are being put in place to ensure the resumption of spawn production and mechanisms to ensure that this failure does not occur again.
197. Also, from inception phase interviews the evaluation team understood that no Market Centre had been established. However, the field phase included a visit to the Market Centre and the team found a very well equipped centre that is ready to start processing and packaging produce for distribution. What is lacking is the business plan for the operationalisation of the plant. The team has not seen the plan under development by ITC but fears remain that Lesotho does not produce adequate volumes to make the Market Centre sustainable and that the gamble that South African border towns will make use of the centre will not pay off. If South African farmers do not come on board there is a real risk that centre will fall into disuse and that equipment procured under the HPTD project will become redundant.

6.2. ACTIONS/DECISIONS RECOMMENDED

198. There are a number of actions that can still fall within the final extension of the project. These recommendations are directed towards the Office for Africa, ITC, in Table 15 below and a series of general recommendations to ITC with regards to future project design which are similar in enhancing value chains development in Table 16 below.

Table 15: Recommendations that fall within the final extension of the project

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
1	Given the large number of activities that have not taken place, and the number of outputs not produced, as of time of the evaluation (May 2017), in order to achieve the project outcomes there will be a need for additional time.	Table 13	1. It is recommended that the Project Manager should approach the EIF and apply for a no-cost extension to the end of 2017 in order to allow for sufficient time to complete the outstanding project activities, and produce the outputs, which are required in order to achieve the project outcomes. In addition, all activities, and outputs should be closely monitored and reported in a timely way. Action by: Project Manager based at ITC Headquarters in Geneva.
2	Vehicles procured under the HPTD project have never been used for their intended purpose. These are currently	MTE and FE interviews. Paragraphs: 30, 51, 57, 121, 145, 183, 190	2. It is recommended that the Project Manager based at ITC headquarters should enter into discussions with the Ministry of Trade and establish

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
	<p>standing in the Ministry of Trade's garage.</p> <p>The evaluation found a few farmers – mostly in remote areas – that, due to transport difficulties, are not able to sell their produce other than to the local community. Because the sample was unable to include a proportional representation of such farmers, the percentage of greenhouse recipients experiencing this constraint is uncertain.</p> <p>The lack of extension services offered to greenhouse recipients is blamed partly on the lack of transport within MAFS.</p>		<p>and understanding to make available the vehicles procured by the Horticulture Productivity and Trade Development (HPTD) Project. It is recommended to make them available to either MAFS - in order to allow extension officers to reach farmers in remote areas – or to the Market Centre - to assist farmers to bring produce to market.</p> <p>Action by: Project Manager based in Lesotho, the National Steering Committee (NSC), and the Project Steering Committee (PSC), in conjunction with the Enhanced Integrated Framework National Implementing Unit (EIF NIU)</p>
3	<p>The Sustainability and Exit Plan is still being developed. Ideally the NSC should have a role to play here. Although the project did foresee the need for continued extension services, MAFS was not adequately trained for a number of reasons explained in the FE. HPTD recipients also need quality input supplies. Project partners and beneficiaries would benefit from follow-up support after the closure of the project in order to ensure sustainability.</p>	<p>FE</p> <p>Paragraph: 146</p> <p>MTE and FE</p> <p>Paragraphs: 62, 152</p>	<p>3. Project Management is recommended to accelerate the Sustainability and Exit Plan, in coordination with the NSC, to pave the way for sustainability and a relationship with Lesotho extending beyond this project. Development partners like the World Bank could be brought on board to give this type of support.</p> <p>Action by: Project Manager in Geneva, with Project Manager in Lesotho and the NSC</p>

Table 16: Recommendations concerning future similar value chain development projects

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
1	<p>Throughout the implementation of the HPTD there was a lack of adherence to official project documents, including the logical framework found in the original project document (ProDoc), the midterm evaluation, and the management response to the midterm evaluation. Activities and outputs were changed or deleted from the logical framework informally.</p> <p>The changes to the logical framework have contributed to the difficulties in determining the actual financial costs of the project, particularly at the output level. This problem was compounded by the fact that no financial records were presented to the evaluation team making it impossible to account for</p>	<p>Table 13</p> <p>Management response to MTE</p> <p>Paragraphs: 7, 32, 37, 41, 48, 112</p>	<p>1.1. It is recommended that when changes are made to the logical framework as stated in the original project document, these changes be done in a formal process and circulated to all key stakeholders for accountability purposes. Changes made to the logical framework should be accompanied with a revised budget.</p> <p>Action by: Executive Secretariat of the Enhanced Integrated Framework (ES), and Trust Fund Manager (TFM) and the Main Implementing Entity (MIE).</p> <p>1.2. When a project has been subject to a midterm evaluation (MTE), the</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
	<p>funds originally allocated for certain activities.</p> <p>The midterm evaluation (MTE) managed by the Independent Evaluation Unit did allow ITC to gain an independent view of progress and problems of development projects. Whereas the MTE made some very important and decisive recommendations many were simply ignored. A final evaluation comes too late and no corrective action can be taken.</p>		<p>Chief of the MIE responsible section is recommended under the supervision of the Director, to conduct a follow-up visit or management review 6- 12 months post MTE to give an opportunity to evaluate whether MTE recommendations are in fact being implemented and assess the effects thereof.</p> <p>If the management response is to ignore a recommendation there has to be clear feedback to superiors and the Independent Evaluation Unit.</p> <p>Action by: ES, TFM and MIE</p> <p>1.3. If revisions are to be made to the Management Response, particularly to the status of acceptance to recommendations issued in a MTE, this should be agreed upon by all stakeholders who agreed to the initial Management Response, and communicated to all key stakeholders.</p> <p>Action by: EIF, TFM and MIE</p>
2	<p>Numerous risks, which were anticipated in the project document prior to project implementation, were experienced during the life cycle of the project.</p> <p>Aside from the risks posed by the political climate, changes were also made to the EIF structure and governance of the project. Some elements fell away as the National Steering Committee (NSC) and the Project Steering Committee (PSC) did not meet after the MTE.</p> <p>The MTE noted the lack of clear organogram and reporting lines and recommended (Recommendation 6) that these be drawn up, which although accepted, was not addressed. This failure resulted in a continuation of muddled project governance and no clear reporting. It is worth noting that reports received by the FE team were drawn up after February 2016 and amended to show different outcomes. The lack of financial reports shared made it impossible for the evaluation team to assess whether resources were</p>	<p>MTE</p> <p>Paragraphs: 10, 18, 24, 28, 29, 30, 32, 49(a)(b)(d)(g), 51, 85</p>	<p>2.1 When a project has experience at least half of the risks identified in the project document, which have an adverse effect of the project's theory of change, and threatens the success of the project, the project should be temporarily halted or completely aborted, and this should be communicated to all key stakeholders.</p> <p>Action by: ES, TFM and MIE</p> <p>2.2 There should be follow-up after the MTE to ensure that recommendations are implemented or where failure to implement occurs the project should be temporarily halted or completely aborted following an in-depth emergency council involving all stakeholders but especially the NSC and the PSC.</p> <p>Action by: ES, TFM, MIE, NSC and PSC</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
	<p>allocated strategically or whether funds were released timeously and efficiently. Questionable reporting is the result of poor governance and oversight.</p> <p>Communication was poor or even absent between the MIE and all the stakeholders involved. A key government department was completely unaware of progress made or difficulties encountered. Political support waxed and waned given the difficult political climate during the implementation years with numerous changes in government.</p> <p>Lack of baseline data and subsequent gathering of data made it very difficult to evaluate the project against impact.</p>		
3	<p>The HPTD suffered from delays and misunderstandings between stakeholders. Evidence gathered for the MTE and subsequently confirmed during the FE suggests that correct governmental procedures in developing and signing a donor project were not followed for the HPTD. This should be seen against the backdrop of a volatile political situation where slights or perceived offences can result in large fall-outs. ITC tried to push through the project by soliciting buy-in from the various stakeholders and although on surface this did have the desired result in the project being initiated, the fall-out would consistently affect the implementation of the HPTD. ITC also made a political blunder in appointing the Project Manager without sufficient consultation or endorsement, resulting in a difficult environment for her to operate in. This was evidenced by weak integration into the MTI and the fact that the Ministry did not want to find office space, furniture or any form of assistance for her.</p>	<p>Detailed background was given in the MTE, which was followed up by interviews during the FE field phase.</p> <p>Paragraphs: 7, 11, 37, 48, 129, 150, 186</p>	<p>3.1. The EIF Country Coordinators of future projects aimed at connecting producers to international value chains are recommended to follow in-country procedures at the outset of the project and follow through with these processes including mandating regular national and Project Steering Committee (PSC) meetings (composed of representatives from all participating Ministry departments, the Main Implementing Entity [MIE], and the National Implementation Unit [NIU]).</p> <p>Action by: Executive Secretariat of the Enhanced Integrated Framework (ES), and Trust Fund Manager (TFM).</p> <p>3.2. It is recommended to verify at project design stage that future projects aimed at connecting producers to international value chains provide for an M&E function in the country is adequately capacitated (including an earmarked budget).</p> <p>Action by: ES and Beneficiary Country</p> <p>3.3. It is recommended to verify at project design stage that future projects aimed at connecting producers to international value chains entrust Project Steering Committees (composed of representatives from all participating Ministry departments, the Main</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
			<p>Implementing Entity [MIE], and the National Implementation Unit [NIU]) with a rigorous monitoring and evaluation (M&E) mandate to receive and validate regular reports with corrective recommendation capacity.</p> <p>Action by: ES and Beneficiary Country</p>
4	<p>The evidence contained in the MTE as well as the FE shows that the horticulture productivity component of the HPTD was highly successful. However, the trade development component largely failed.</p> <p>Given that it was the International Trade Centre implemented the project, this failure seems more acute. There was no rigorous feasibility study preceding the development of the HPTD. If such a study had been done with economists, country experts as well as export development experts, the project would have benefitted from baseline data from which to evaluate the project and the low base from which Lesotho horticulture farmers were starting would have been recognized. Lesotho's general competitive advantage above that of its neighbour or other Southern African countries would have been assessed in such a study, which would have given more insight into which produce to focus on and on the development of a proper marketing strategy for the selected supported product. Lesotho could well market itself as a good location to grow deciduous fruit given its cold climate and clean water.</p>	<p>MTE and FE Paragraphs: 23, 50</p>	<p>4.1. Future projects aimed at connecting producers to international value chains are recommended to conduct an in depth feasibility study of realistic expectations for trade development and export possibility. This should preferably precede any project being developed.</p> <p>Action by: ES in consultation with the EIF Board</p> <p>4.2. It is recommended that the Main Implementing Entity (MIE) of future projects aimed at connecting producers to international value chains use this feasibility study to develop baseline data against which the project intervention can be monitored.</p> <p>Action by: MIE</p>

NR	FINDINGS: IDENTIFIED PROBLEMS OR ISSUES	EVIDENCE	RECOMMENDATIONS
5	<p>A number of greenhouses have fallen into disuse with their owners having found other high income generating positions.</p> <p>The greenhouse recipients were given a very valuable asset without any contractual obligation, as the project never signed any agreement with them. Due diligence has to take place before activities commence, right at beneficiary selection, with proper documentation of decision-making processes, right up to creating and understanding with recipients that they are responsible for production, with corrective measures been put in place if they fail to do so for a determined period of time. There are a number of greenhouses that have now become un/underutilized that should be appropriated and redistributed but no legal foundation exists for such action.</p> <p>In the case of greenhouses, easier relocation would have been made possible by placing 'sleeves' in the concrete foundations for the metal poles that provide the framework for greenhouses, to allow the poles to be withdrawn easily in the event of relocation. (The wire bracing on the exterior of greenhouses would continue to provide stability in windy conditions.)</p>	<p>Field visits</p> <p>Paragraphs: 28, 116</p> <p>Interview for the FE</p> <p>Paragraphs: 48, 60, 186</p>	<p>5.1 It is recommended that the distribution of assets is based on a transparent selection criteria, with roles clearly identified, and guidelines put into place in order to ensure they are used successfully.</p> <p>Action by: ES, TFM, MIE, NSC and PSC</p> <p>5.2 It is recommended to ensure that due diligence is in place for recipient selection and for transfer of assets being subject to project beneficiaries' commitment to use the asset with clear legal jurisdiction outlined. It is furthermore recommended to ensure that technological adaptations are implemented to allow for easy relocation or use of assets being transferred to project beneficiaries.</p> <p>Action by: MIE</p>

7. CONCLUSIONS

199. The overall conclusions, based on the evidence gathered during the final evaluation and the resulting recommendations are as follows. In sum, the HPTD received an unsatisfactory score of (2).
200. The FE conclusion agrees with the MTE that the HPTD was a well-designed and thought out project, that it was highly relevant and had (and still has) the potential to have a significant positive impact on rural poverty. However, it points out that the design of the project was not entirely suitable to Lesotho given the low-base that horticulture production and trade integration was at. The fault lies in the designers of the project not having commissioned a market study or having established baseline data. The expected outcomes were too high resulting in few objectives being reached and a low overall score for the project.
201. Whereas the FE found that the farmers are still a long way off from exporting their produce, with consistent effort and coordination via the Market Centre, it is hoped that the project can in the future still have a significant positive impact on Lesotho's export earnings. The FE did

conclude that significant concerns remain around the operationalisation of the Market Centre. The FE found, like at the time of the MTE in May 2015, that the impact of the project was partly being undermined by political processes and instability at the strategic level. Incorrect procedures during project design, approval and initiation phases resulted in challenges that proved difficult to address during the final stages of the project and that they had a lasting negative impact on the project and its outcomes. The most critical of these was the lack of acknowledging responsibility by stakeholders for implementation of certain activities, the lack of training given to the MAFS extension officers and the unavailability of vehicles procured under the project for extension officers to visit recipient farmers.

202. The progress made by the beneficiary farmers in the MTE and FE samples was encouraging to see. The field phase of the evaluation included a substantial number of beneficiary farm visits and in most greenhouses (about 80%) good to excellent fresh produce was found. Hearing that the project has made a lasting positive impact on poverty alleviation for these farmers ensured that the evaluators conclusion is that this project had some very good results in respect of the horticulture production aspect of the project.
203. The evaluation team was struck by the visible positive impact of the project design that allowed beneficiaries to produce a full harvest without having to borrow funding or put much of their own savings towards the project. The benefits included that most farmers were never out of pocket and that the training received on financial literacy ensured that they saved enough of their first harvest income to procure seeds and other inputs for the second harvest.
204. The evaluation team was, however, disappointed to find the mushroom laboratory in a derelict and dirty state when visited during the field phase of the FE. The slow response rate of MAFS to address the situation at the laboratory was frustrating to witness as well as the fact that workers at the plant made no effort to prepare for future spawn production activities by not even maintaining the greenhouse necessary for substrate production. It was encouraging to hear that the Ministry of Finance would probably in the next financial year approve a budget for the laboratory. This could ensure the sustainability of mushroom production, which had become an important income generator and source of nutrition for thousands of poor Basotho. It was also comforting to hear that the capacity of local officials had not been lost and that they would be able to restart production as soon as seed spawn arrives.
205. The evaluators also found that the project had opened the door for Lesotho to establish a Bureau of Standards and that training received by DSQA and the farmers had sensitised them to the breadth and depth of standards necessary for export of fresh produce. Although this training has not resulted in actual exports, it is the FE finding that DSQA is now well placed to take this process forward.
206. The field phase of the FE also included a visit to the Market Centre site where the evaluators found a state of the art processing, packaging and distribution centre that is equipped with modern technology. The operationalisation of the plant is still outstanding but it is understood that ITC is in the process of developing a business plan that will see a private sector operator taking over the Market Centre. The evaluators - having seen the market centre and the volumes produced by the greenhouse recipients, as well as being made aware of significant transport constraints - have deep concerns regarding the sustainability and profitability of the centre.

207. These findings have led to the recommendations that pertain to activities that can still be effected under the extension of the project, namely that derelict greenhouses and unused hail nets should be redistributed to well-performing beneficiary farmers as they have a sound understanding of greenhouse farming and would be able to scale up, which will become necessary in order to ensure the profitability of the Market Centre. It is also a strong FE recommendation that the vehicles procured under the project be transferred to MAFS so that extension officers can visit greenhouse recipients, or that the vehicles are made available to the Market Centre in order to ensure that produce can be fetched from farmers.
208. The recommendations made to ITC include being part of project design and following correct in-country procedures at the start of a project even if this means lengthy initial delays. In politically volatile countries, government functionality remains a critical factor that ITC should take cognisance of and see as a valuable indicator of the likelihood of a project being implemented correctly.
209. ITC should further spend resources on doing in-depth feasibility studies ahead of project design in order to ensure that a thorough, in-country knowledge is reflected therein. Such studies can then also be used for the development of baseline data against which the MTE and FE can evaluate the project.
210. Due diligence should always be followed. Also, recipients of assets should understand their rights and obligations, under such a project, even if the obligations were determined as only having to make active use of a greenhouse. Legal recourse and jurisdiction should be clearly outlined as well as remedial actions for farmers that do not fulfil their side of the agreement.
211. Development projects should allow for some follow-up activity by independent evaluators in the period between the MTE and the FE to ensure that recommendations are in fact being implemented. A final evaluation comes too late to then insist that recommendations be implemented. This would also give the Project Manager another opportunity to engage with independent observers that can highlight bottlenecks or remedial actions that might not seem obvious to a person caught up in the day-to-day running of the project.
212. In sum, the FE finds that ITC tried to effectively and efficiently implement the HPTD, but encountered significant problems that pertain to the political climate in Lesotho. It struggled with a project design that was over-ambitious for Lesotho horticulture producers and government DSQA department that started from a very low base at the outset of the project. Very good results were achieved in terms of horticulture production but few positive results emanated from the trade development aspect of the project. This should give ITC cause to ensure that in future projects realistic assumptions are made about the base from which implementation occurs and about potential trade development and export impact.

8. ANNEX

8.1 LIST OF STAKEHOLDERS CONSULTED

Name	Position	Organization	Contact Details
IN LESOTHO			
Ms Mahlape Qoane	Project Manager	HPTD project	Tel: 266-588 43842 Email: mahlapeq@gmail.com
Mr Fusi Notoane	Principle Secretary	MTI	fusi.notoane@gmail.com
Mr Phera Lepati	Chief Economic Planner	MTI	Plepati2000@yahoo.co.uk
Mr Lekhoee Makhate	Director of Marketing	MSBCM	ljmakhate@gmail.com
Mrs 'Maphamoli Lekoetje	Director of Cooperatives	MSBCM	elizalekoetje@yahoo.com
Mr Setlaba Monaheng	Acting Director of Small Business Development	MSBCM	Setlaba084@gmail.com
Mr Molebatsi Rabolinyane	Director of Standards and Quality Assurance	MTI	rabolinyanem@yahoo.com
Mrs Mary Motebang	Director of Trade	MTI	marymotebang@gmail.com
Mrs Maria Ncholu	Deputy Director of Trade	MTI	Nocholat99@yahoo.com
Dr Lebone Molahlehi	Director of Crops	MTI	sekhantso@gmail.com
Mr Pitso Melao	Regional Manager	Shoprite	pmelao@shoprite.co.za
Mr Pieter van Zyl	General Manager Procurement	Shoprite (Freshmark)	pvanzyl@shoprite.co.za
	Store Manager	Pick n Pay	
	Chief Executive Officer	LENAFU	lenaful@gmail.com
Mr Retselisitsoe Pheko	Project Manager	SADP	Pheko.daniel@gmail.com
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Mrs Nguwera	Mushroom Production	CEDERA	0794951860
IN GENEVA (VIA SKYPE)			
Mr Miguel Jimenez-Pont	Head, Independent Evaluation Unit (IEU), Strategic Planning, Performance and Governance (SPPG), Office of the Executive Director (OED)	ITC	Tel: 41-22 730 0613 Email: jjimenez@intracen.org
Ms Marianne Schmitt	Associate Monitoring and Evaluation Officer, IEU/SPPG/OED	ITC	Tel: 41-22 730 0332 Email: schmitt@intracen.org
Mr Silencer Mapuranga	Project Manager, Senior Trade Promotion Officer, Office for Africa (OA), Division of Country Programmes (DCP)	ITC	Email: mapuranga@intracen.org

8.2 STAKEHOLDER QUESTIONNAIRE GUIDELINE

Stakeholder	Indicative Questions
Farmers	<ol style="list-style-type: none"> 1. What category of farm groupings do you fall under: <ol style="list-style-type: none"> a. Individual b. Cooperative c. Association d. Other (Explain) 2. What is the size of land you farm? (Cooperatives and associations should give the total area of land they farm.) 3. Who owns the land? If you do not own it, who does and on what basis are you allowed to use the land? If you do not own it, does this have an effect on the way in which you use the land? How? Does it make it difficult to borrow money for farming? 4. If you do not own the land, do you have leasehold on it? If you are using hired land, do you have a written agreement with the owner of the land? 5. How were you selected to participate in this project? 6. When did you join this project? Why did you join? Do you feel that it addresses your needs well? Please explain. Can you suggest ways in which it could address your needs better? 7. Have you used all or a portion of this land for vegetable/mushroom production? If so, roughly what is the size of the land that you now use for this purpose? If you produced vegetable/mushrooms before the project started in 2013, what was the size of the land that you used for this previously? 8. What crops do you grow now? What crops did you grow before you started taking part in the project? 9. What livestock do you own? Do they use your land? Do they have access to other land – details? 10. What farming activity did you engage in before joining the project? 11. Did your past farming activities contribute any income for your family? About how much? 12. According to your knowledge, what is the purpose of the project? Was this explained to you clearly before you joined the project? 13. Have any government officials visited you about the project? If so, from which Ministry and section? Have representatives of any other organization visited you about the project? Please explain. 14. Did you receive any training in preparation for your participation in the project? Please describe and specify length of time spent under each training program- <ol style="list-style-type: none"> a. Horticulture – what crops? b. Specialized greenhouse horticulture c. Farm management d. Business development e. Financial management 15. Which government/non-government agency offered the training program? 16. What skills did you learn from the training? Did you feel it taught you all you need to know to farm successfully? If not, how would suggest the training be improved? Do you think that the person/people who conducted the training had a good understanding of the project, of your needs and resources and of what the challenges of producing vegetables/mushrooms are? 17. Were your mentors/extension officers easily available to you throughout the growing season? Was it easy to understand all that they wanted to teach you? If not, can you explain why and what should be done to improve their services? Was there anyone else who helped teach you how to grow your crops? If so, who, how? How often has someone visited you to help you with your farming? 18. What vegetables did you produce during the last season? How much? 19. Why did you choose to produce those vegetables? Have you grow them before? 20. Did you experience any problems in producing them? If so, can you tell me about them and what you think would help you solve them?

	<p>21. Were you informed of any preparations made by a government agency to market your produce?</p> <p>22. Which government agency? Was it collected soon after harvest?</p> <p>23. Do you know where your produce was marketed? If so, where?</p> <p>24. Was it stored for long before marketing? Was there any damage/loss of quality or quantity on the way to market and/or during storage? If so, what will you do to try to prevent it in future?</p> <p>25. Did you market all or part of it yourself? If so, where? Why? Was it always planned that you should market it? If not, what other plans were made? And why did they change?</p> <p>26. Did you reach out to your customers, or did they come to you?</p> <p>27. How far away from your production base were you able to reach?</p> <p>28. Please circle entities to whom you sold your produce:</p> <ol style="list-style-type: none"> Individuals for home consumption; Vendors; Shops and cafes; Supermarkets. <p>29. Did you sell all your produce or did you have any leftovers? How did you dispose of the leftovers?</p> <p>30. Can you tell me what price per kilogram your crops were sold for? Were you satisfied with this? Did it enable you to make a profit? Do you ever use the internet for information on any of your crops?</p> <p>31. Do you keep written records of farm expenses and income? If not, would you like to?</p> <p>32. Has anyone from government or any other organization collected information from you about your participation in the project? If so, who did so, what sorts of information did they collect and how often has this been done? If not, do you think this should be happening? How often? And what sorts of information do you feel they should be collecting?</p> <p>33. Was any information about your farming activities collected from you when you joined the project? If so, can you tell me about this, i.e. who collected it and what sorts of information they collected?</p> <p>34. What inputs were you offered free of charge, and which ones did you pay for or contribute towards production?</p> <p>35. Did you, or did you try to, borrow money from anyone to help you with your farming last season? Before? If so, who?</p> <p>36. Did you borrow, or try to borrow, from a bank or anyone who provides you with inputs or who sells your produce? If so, who, when, for what? If not, why not?</p> <p>37. Do you usually use your own money/savings to buy farm inputs/equipment? If so, do you have a savings account with a financial institution? Which? Do you belong to an informal savings/savings and credit group?</p> <p>38. Do you offer employment to members of your family and/or people in your community during planting, the growing period and harvesting and sale of produce? For how long? Please quantify them according to their gender and standing in society.</p> <p>39. How many people do you feel have benefited from your participation in the project?</p> <p>40. How does this compare to before the project/Please elaborate (re your answer to 39)?</p> <p>41. Did you keep a record of your inputs and cost; and volume of produce and sales? Did you do this before the project?</p> <p>42. Were you able to save some of the income to procure inputs for the next season? If not why not? Were you able to save before the project/</p> <p>43. Do you have plans to increase your production this year?</p> <p>44. If so, is there any particular vegetable that you plan to increase, and why?</p> <p>45. Is there any particular vegetable that you plan to abandon? Why?</p> <p>46. Do you feel competent to mentor other farmers who may want to establish similar production units?</p> <p>47. Has participation in this project improved your family income? If so, can you say by about how much?</p> <p>48. Do you plan to continue with vegetable/mushroom production after the end of the project? Why?</p>
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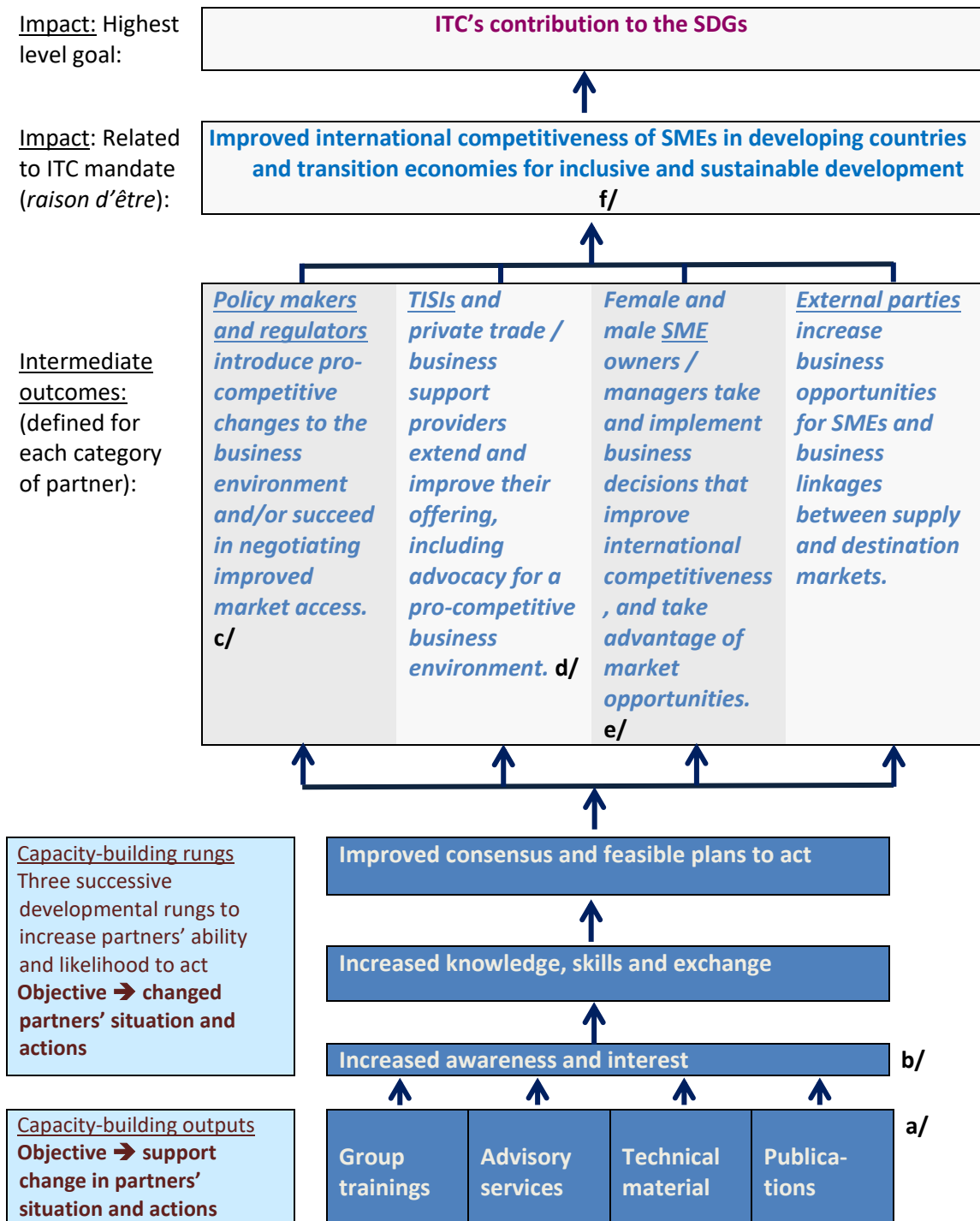
	<p>49. Do you expect to need any help from government or anyone else to continue vegetable/mushroom production? If so, please explain.</p> <p>50. Please tell me about any other challenges you have faced from inception of the project to date. Did anyone from government or any other organization ask you about these challenges and about your suggestions for addressing them? If so, please explain.</p>
Additional questions specific for cooperatives or associations	<ol style="list-style-type: none"> 1. When and why did you choose to become a cooperative? 2. Is your cooperative/association registered by law? 3. Can you tell me about what your cooperative does and how it's structured and functions? How and how often are its office bearers chosen? What sorts of community member belong to your cooperative? How did they become members? How are day-to-day decisions made? 4. Did anyone help teach you how to run a cooperative? If so, who? Did they teach you all that you needed to know? If not, what more do you feel you need to know to make your cooperative successful? 5. Has your group been involved in agricultural production before? 6. What percentage of your membership are youth/women and other vulnerable groups of society? 7. Which crops did you produce? 8. Were any of your produce put up for sale? 9. Do you buy your farming inputs together? If so, why? If not, why not? 10. What role does each member play? How are responsibilities allocated? 11. Are records of inputs (volume and cost) and yields/sales kept? 12. How has income accrued been divided among members? 13. Is any of it saved for procurement of inputs for the next season or for future expansion? Do you have a group savings account/any other form of account with a financial institution? 14. Would you say that being a cooperative has helped/not helped you with your farming? Can you explain why? 15. Would you say that your cooperative is successful? If so, why? If not, why not and what do you plan to do about it?
Amiran	<ol style="list-style-type: none"> 1. What challenges, if any, have you encountered in carrying out your mandate under this project? 2. Which ministry/entity is responsible for procuring your project needs? 3. Have you met any challenges with timing of orders and delivery of inputs? 4. How has this affected your delivery of services? 5. Have any of these delays affected planting and harvesting of produce? 6. Has the Ministry of Agriculture assigned counterpart officers (engineers, agronomists) to work with you on a daily basis? 7. Please outline the training programs offered to farmers and Agriculture Extension officers, and how long it takes? 8. Do you offer any guidance to farmers on the readiness of their produce for harvesting? 9. Can your production method be classified as "organic"? 10. Do any of the countries in which you operate export their produce internationally? 11. In those countries, how has your company been involved in the certification/accreditation process for export? 12. Do you envisage a scenario where Lesotho would order greenhouses from your company and use local experts for their installation and mentoring of farmers? 13. Under the current implementation process, how soon do you envisage this happening?
Ministry of Trade and Industry (DSQA)	<ol style="list-style-type: none"> 1. Does the ministry have training programs relating to its particular responsibilities under this project? 2. Do they form part of a program of initial induction into the project, and how frequently are they held thereafter? 3. What arrangements/training has been made to grade, classify and price produce under this project? 4. What efforts have been made to market produce locally? 5. In the absence of a Market Centre, have any efforts been made to form direct linkages between producers and local hotels and supermarkets?

	<ol style="list-style-type: none"> 6. What impediments if any have been encountered? 7. What success stories does the project boast? 8. What efforts have been made to market produce internationally? 9. What efforts have been made to certify produce for export to South Africa? 10. What has been the level of success in all these efforts? 11. How far are efforts to secure a Market Centre for produce? 12. Does the ministry have the requisite institutional expertise to perform these functions? 13. Has any contact been made with local banks to support producers with loans to procure inputs?
Masianokeng Mushroom laboratory	<ol style="list-style-type: none"> 1. What specific functions are performed in your laboratory in Masianokeng? 2. Do you also offer training in the production of mushrooms? 3. In what districts has your project extended? 4. Are your initial trainees now competent enough to mentor beginners in the project? 5. Are there plans to introduce other varieties of mushroom for your producers? 6. Are you involved in the marketing of produce? 7. Do you have plans to expand your laboratory to enable it to perform certification and classification of produce for export? 8. Has the Ministry of Agriculture assigned local officers to work with you on a daily basis? 9. Would you classify your production method as “organic”? 10. Given the popularity of mushroom production in the country, do you have plans to form local cooperatives that can be elevated to production of spawn and establishment of market centres?
Ministry of Agriculture and Food Security	<ol style="list-style-type: none"> 1. How many agricultural engineers, agronomists and extension officers are assigned to the project on a full time basis? 2. Do they work with both AMIRAN and Chinese experts on a daily basis? 3. Are extension officers readily available to advise farmers in the rural areas? 4. Does the ministry offer any training programs to vegetable farmers? 5. Please outline content of training programs. 6. Has the ministry encountered any challenges in working with the Ministry of Trade and Industry? 7. Are you satisfied with the political support given to the project? 8. Has this project brought any visible improvement in the lives of communities in which it operates? Such improvement may be either nutritional or monetary. Please specify with figures? 9. Does the Ministry keep data on inputs, harvest and income of each participant in the project?
Banks and non-bank financial service providers	<ol style="list-style-type: none"> 1. Name of financial institution; name and position of person interviewed 2. How long has your organization been operating in Lesotho? 3. How many branches do you have? Where located? 4. Are you aware of the Government of Lesotho’s Horticulture Productivity and Trade Development project, being assisted by the United Nations? 5. Has anyone connected with the project, either involved in organizing the project or in farming, approached your organization to provide financial services? 6. If ‘yes’ to question 5 and services were supplied, can you provide any details regarding: <ol style="list-style-type: none"> a. the kind(s) of financial service provided? b. to what kind of client? c. whether this was done directly or through an intermediary? 7. If ‘yes’ to question 5, but no services were supplied, can you explain why? 8. If ‘no’ to question 5, would you be interested in the possibility of providing financial services, if you were approached to do so by either a farmer/farming group or the organizers? 9. What kinds of financial service does your organization provide that you feel would be of value to Lesotho farmers? 10. What requirements would your organization have for providing such services? If credit, would a (partial) loan guarantee assist? 11. Does your organization provide financial services to any other branches of agriculture in Lesotho?

	<p>12. If 'yes' to question 11, can you provide any details regarding:</p> <p>d. the kind(s) of financial service provided?</p> <p>e. to what kind of client?</p> <p>f. whether this was done directly or through an intermediary?</p> <p>13. If 'no', can you explain why?</p>
Lesotho National Development Corporation (LNDC)	<p>1. According to the project document, the LNDC is responsible to provide buildings that the project will use as a Market Centre. Given the central role of such a Centre in the supply/value chain development of the project, how soon after inception did the LNDC address this crucial need?</p> <p>2. Where was the building located?</p> <p>3. Would the LNDC provide such accommodation for free or for rental?</p> <p>4. Was the building initially provided partially/fully equipped to perform this function, or was it an empty shell that needed to be equipped?</p> <p>5. What impediments stood in the way of this building taking off as a Market Centre?</p> <p>6. Has consideration been made to seek a long-term accommodation lease from the private sector?</p> <p>7. Given the fact that greenhouses were initially erected in Leribe, Berea, Maseru and Mafeteng, was consideration made to offer market accommodation in each of the districts?</p> <p>8. Has the LNDC used its influence within hotels and supermarkets within which it shares ownership to market project produce – vegetables and mushrooms?</p> <p>9. What impediments, if any, did the corporation encounter in carrying out this function?</p> <p>10. Do you have any success stories to share?</p> <p>11. In the event that the entire premises of the BFVC have been rented to a different entity, is the LNDC still engaged with its original mandate to provide accommodation for a Market Centre?</p>
Project Coordinator	<p>1. Your office was active in the design of the HPTD project; and represents government in monitoring its implementation. As Chairman of the National Implementation Unit, you take responsibility for information flow between different stakeholders at national level. Are you satisfied with the synergy that exists between different departments of government involved in this project?</p> <p>2. You are further charged with responsibility to ensure agreed timelines and outcomes, and to ensure eventual national takeover of the project. Are you satisfied with the succession and pace of activities?</p> <p>3. Are you satisfied with the commitment of existing political leadership in the project?</p> <p>4. What procurement procedures are used by the project?</p> <p>5. Do they run both smoothly and timeously for such a time-sensitive project, or do they present hurdles in implementation?</p>
Project Manager	<p>1. The project has a number of both local and international structures intended to maximize its success - e.g. the National Implementation Unit (NIU) and the Project Steering Committee (PSC). Do these structures enable your office to perform its mandate efficiently?</p> <p>2. Do they ever become an impediment to your functions?</p> <p>3. Please state the staff complement of your office, and their particular expertise towards meeting the objectives of the project?</p> <p>4. Are you satisfied with the commitment and support of the following ministries, state corporations and international organizations mandated to support your office in the implementation of this project?</p> <p>a. Department of Crops – Ministry of Agriculture and Food Security;</p> <p>b. Department of Marketing – MTICM;</p> <p>c. Department responsible for Standards, quality assurance, accreditation and metrology (SQAM) – MTICM;</p> <p>d. Lesotho National Development Corporation;</p> <p>e. ITC;</p> <p>f. UNDP</p> <p>5. From your observation, why is it that crucial elements of the project – establishment of a market centre and the procurement of refrigerated vehicles to collect produce have still not been attained/procured?</p>

	<ol style="list-style-type: none"> 6. Do you see this as affecting the morale/commitment of farmers towards the project? 7. Do you receive the necessary political support to establish a market centre? 8. To you enjoy the commitment of the private sector/NGOs in seeing this project to success?
Private Sector and NGO Representatives – Members of the National Steering Committee	<ol style="list-style-type: none"> 1. To your knowledge, what are the objectives of this project? 2. Is your business/NGO involved in agricultural production/marketing? 3. Please state the activities of your business/NGO, and for how long you have been engaged in this type of work? 4. Does the NSC meet regularly? How frequently? And at what point in the planting/harvesting/marketing season? 5. Do you play an active role in suggesting markets for producers? 6. Is your guidance and advice taken seriously by government agencies charged with project implementation? Please give examples. 7. Do you see the activities of this project becoming a way of life for Basotho producers? 8. Does the project time its various activities in a manner that maximizes gains for farmers? 9. Do you observe sufficient political support for this project?

8.3 ITC'S THEORY OF CHANGE



8.4 EVALUATION TERMS OF REFERENCE



Date: 5 October 2016

EVALUATION TERMS OF REFERENCE

Final Evaluation of Horticulture Productivity and Trade Development in Lesotho

(Tier 2 Enhanced Integrated Framework, Project IB14 – LES/4B/03A)

Lesotho

INTERNATIONAL TRADE CENTRE

A SUBSIDIARY ORGAN OF THE UNITED NATIONS AND THE WORLD TRADE ORGANIZATION

Geneva – Switzerland

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LIST OF ACRONYMS

DCP	Division for Country Programmes
DSQA	Department of Standards and Quality Assurance
DTIS	Diagnostic Trade Integration Study
EIF	Enhanced Integrated Framework
ES	Executive Secretariat for the EIF
FFV	Fresh Fruits and Vegetables
FP	Focal Point
GAP	Good Agricultural Practices
IF	Integrated Framework
ITC	International Trade Centre
LNDC	Lesotho National Development Corporation
LOA	Letter of Agreement
LUNDAP	Lesotho United Nations Development Assistance Planning
MAFS	Ministry of Agriculture and Food Security
MDG	Millennium Development Goal
MC	Market Centre
MIE	Main Implementing Entity
MOU	Memorandum of Understanding
MSBDCM	Ministry of Small Business Development Cooperatives and Marketing
MTI	Ministry of Trade and Industry
MTICM	Ministry of Trade and Industry, Cooperatives and Marketing
NGO	Non-Governmental Organization
NIU	National Implementation Unit
NSC	National Steering Committee
NSDP	National Strategic Development Plan
OA	Office for Africa
PS	Principal Secretary
PSC	Project Steering Committee
PU	Planning Unit
SADC	Southern African Development Community
SME	Small and Medium-sized Enterprise
SQAM	Standardization, Quality Assurance, Accreditation and Metrology
TFM	Trust Fund Manager
ToC	Theory of Change
TOR	Terms of Reference
UNDAF	United Nations Development Assistance Framework
UNOPS	United Nations Office for Project Services
UNDP	United Nations Development Programme

1. BRIEF BACKGROUND ON PROJECT AND CONTEXT

1. The Horticulture Productivity and Trade Development project is funded by the Enhanced Integrated Framework (EIF) Trust Fund and implemented by the International Trade Centre (ITC). ITC, as the Main Implementing Entity (MIE) received funding for the project from the United Nations Office for Project Services (UNOPS) in December 2012, and when the Letter of Agreement (LOA) was signed with the Government of Lesotho in October 2013 the project officially started. Thus, the project started on 13 October 2013, with a total budget of \$2,950,667 (comprised of \$2,735,685 from EIF and \$214,982 from the Government of Lesotho) over a three-year period.²⁰ The project was subject to a midterm evaluation²¹, which resulted in a one-year no-cost extension to 31 December 2016. As agreed between the EIF and ITC, a final evaluation of the project is expected to commence before the project is concluded.
2. At a strategic level, the project pilots an intervention aimed at enhancing Lesotho's productive capacity by introducing technology that would ensure that more volumes are achieved by period across an agricultural year. The project directly targets the provision of greenhouses; trains farmers in the use of greenhouses and drip irrigation within Good Agricultural Practices (GAP); and build skills and entrepreneurship for product diversification into high-value cash crops for domestic and export markets. This is intended to improve the quality standards of local fresh produce and its access to regional markets of the Southern African Development Community (SADC). The project also envisages establishing a Market Centre (MC) as a platform for consolidating and packing of products for distributing to hotels and supermarkets. Such defined distribution channels would ensure that fresh produce leaves bulk storage facilities directly into retail outlets. Partnering with regional distribution giants, such as Freshmark and other foreign-owned retail chains, hotels, and restaurants operating in Lesotho, the project would forge direct backward linkages with the primary sector entering the formal market.

PROJECT DESCRIPTION

Development Objective

3. The project will ultimately contribute to the development objective of the reduction of rural poverty and enhance economic growth on a sustainable basis in accordance with the Government's Vision 2020 and its National Strategic Development Plan (NSDP).

Purpose

4. The purpose of the project is to build capacity of Lesotho cooperatives and their members to deliver to the markets high-value Fresh Fruit and Vegetables (FFVs), through improved commercial and competitive value/supply chains.

Outcomes

5. According to the logical framework (see Annex I), the project has five outcomes, including:
 - Outcome 1: Enhanced skills and knowledge of Smallholder farmers (SMEs) and their cooperatives in the use of appropriate technology in production of high-value FFVs;
 - Outcome 2: Masianokeng Mushroom laboratory provides greater volumes of Mushroom Spawn for the ever growing demand for the spawn in Lesotho;
 - Outcome 3: Strengthened capacity of the Department of Standards and Quality Assurance (DSQA) to deliver Quality Assessment support services to SMEs;
 - Outcome 4: Strengthened consolidation/commercial MC that manages an inclusive supply chain services linking cooperatives to domestic and international markets; and

²⁰ The project document was signed in August 2012, and the LOA was signed in October 2013; both of these documents form an integral part of the EIF approval process.

²¹ *Midterm Evaluation of Horticulture Productivity and Trade Development Project in Lesotho*, 12 May 2015, is available at: www.intracen.org/uploadedFiles/intracencorg/Content/About_ITC/How_ITC_Works/Evaluation/Final%20HPTD%20Midterm%20Evaluation.pdf

Outcome 5: Improved financial management skills among target farmers and capacity enhanced to repay bank loans.

6. As set out in the project document, the project outcomes were designed to directly support the Millennium Development Goals (MDGs) 1 (eradicate extreme poverty and hunger), 3 (promote gender equality and empower women), and 8 (develop a global partnership for development) to enhance the integration of Lesotho into the global trade arena.

Partners and Beneficiaries

7. The targeted 1,050 short-term beneficiaries of this project is a group comprised of individuals, members of associations, and members of Block Farm organizations. Based on indications from the Ministry of Trade and Industry, Cooperatives and Marketing (MTICM)²² and Ministry of Agriculture and Food Security (MAFS), this is expected to have an impact on 17,500 people (including 5,000 beneficiaries that will benefit from increased mushroom spawn production) in the long-term.

Project Coordination and Management

8. Below are the project implementation arrangements based on the LOA between the Government of the Kingdom of Lesotho and ITC.

Main Implementing Entity (MIE)

9. The Government of Lesotho selected ITC as the MIE. ITC implements the project under the overall management of the MTICM, in close collaboration with the EIF FP and its National Implementation Unit (NIU)²³, and with the relevant departments in the Ministry of Agriculture Food Security (MAFS). Both the signed LOA between ITC and the Kingdom of Lesotho (under the framework of this EIF project) and the project document (signed between UNOPS and ITC) govern the cooperation and operations of project implementation. The LOA and the project document detail the roles and responsibilities of all parties. Since the midterm evaluation, the MTICM has been divided into two ministries: the Ministry of Trade and Industry (MTI); and the Ministry of Small Business Development Cooperatives and Marketing (MSBDCM)

ITC Internal EIF Project Coordination

10. At ITC, project coordination and management is the responsibility of the Senior Trade Promotion Officer and Country Manager (CM) for Lesotho within the Office for Africa Section (OA), Division of Country Programmes (DCP). The CM is also responsible for assisting the PU (previously referred to as the NIU) in Maseru to facilitate project implementation jointly with all relevant teams in the country. In addition, ITC's technical sections are responsible for the delivery of inputs according to the approved logical framework and workplan. Table 1 below provides a summary of the operational partnerships involved in the implementation of the project:

²² It should be noted that the MTICM split into two ministries, namely: Ministry of Trade and Industry (MTI), and Ministry of Small Business Development Cooperatives and Marketing (MSBDCM).

²³ It should be noted that references to the NIU now refers to the Planning Unit (PU) of the Ministry of Trade and Industry (MTI) that has subsequently taken on the functions of the NIU following an ongoing re-organization of the EIF structures.

Table 1. Project Partner Organizations and Focus Areas

OUTCOME	PARTNER ORGANIZATIONS	FOCUS AREA
OUTCOME 1	MTI ²⁴	IDENTIFICATION OF BENEFICIARIES AND THEIR LOCATION AS WELL AS SPECIFIC NEEDS WITHIN COOPERATIVES APPROVAL AND COORDINATION OF PROJECT MANAGEMENT PROCESSES
	ITC	OFFICE OF AFRICA (PROCUREMENT AND SUPPLY OF APPROPRIATE AGRO-TECHNOLOGY) SECTOR COMPETITIVENESS SECTION (DIVISION OF MARKET DEVELOPMENT)
	MAFS	IDENTIFICATION OF BENEFICIARIES AND THEIR LOCATION AS WELL AS SPECIFIC NEEDS WITHIN COOPERATIVES IN COLLABORATION WITH SUPPLIERS OF EQUIPMENT PROVIDE AGRONOMICAL SUPPORT AND RELEVANT TRAINING, CROPS DEPARTMENT ASSIST IN THE IDENTIFICATION OF PROJECT BENEFICIARIES AND FIELD SERVICES ASSIST WITH EXTENSION WORK
OUTCOME 2	MAFS	IN COLLABORATION WITH SUPPLIERS OF EQUIPMENT INSTALL AND LEAD PRODUCTION OF ADDITIONAL SPAWN AT THE SELECTED PREMISES
	MTI AND MSBDCM	THE MARKETING DEPARTMENT TO ASSIST WITH IDENTIFYING POTENTIAL MARKETS FOR THE MUSHROOM STANDARDIZATION, QUALITY ASSURANCE, ACCREDITATION AND METROLOGY (SQAM) SHOULD HELP WITH PROPER PACKAGING OF MUSHROOM TO ENSURE FRESHNESS AND MARKET VALUE
OUTCOME 3	ITC	ENTERPRISE COMPETITIVENESS SECTION – SQAM UNIT (DIVISION OF BUSINESS AND INSTITUTIONAL SUPPORT) TRADE INFORMATION SECTION (DIVISION OF MARKET DEVELOPMENT)
	MTI AND MSBDCM	DSQA - LEAD AND DESIGN THE STRATEGY FOR STANDARD KNOWLEDGE DEVELOPMENT DEPARTMENT OF MARKETING SHOULD START MENTIONING LESOTHO'S PRODUCTS CONFORMITY TO STANDARDS AS A NEW MARKETING PLOY
	MAFS	AGRICULTURE RESEARCH DEPARTMENT
OUTCOME 4	MTI AND MSBDCM	COORDINATION OF DESIGN AND IMPLEMENTATION OF THE FFV SUPPLY CHAIN COORDINATION OF PARTNERSHIPS BETWEEN PRODUCERS AND PRIVATE SECTOR (CONSOLIDATION-MARKETING CENTRE OPERATIONS)
	ITC	EXPORT STRATEGY SECTION: BUILD CAPACITY AND DESIGN SECTOR STRATEGY FOR THE FFVs MARKET INFORMATION SYSTEM (MOBILE AND PRINTED VERSIONS FOR USE BY LOCALS)
OUTCOME 5	MTI AND MSBDCM	IN COLLABORATION WITH MINISTRY OF FINANCE LEADS THE DEPLOYMENT OF THE CREDIT GUARANTEE SCHEME TO PROJECT BENEFICIARIES
	ITC	TRAIN FARMERS AND COOPERATIVE GROWING FFVs TO BETTER DEAL WITH FINANCE MANAGEMENT ISSUES INCLUDING WITH FINANCE HOUSES E.G. BANK LOANS REPAYMENT

National Ownership

11. The project was designed through national stakeholder consultations, with project components derived from sector specific discussions that identified the priority areas to be addressed. The key ministries, MTICM (now MTI and MSBDM), and MAFS, led the identification of project outputs and outcomes towards capacity building in areas that are aligned to their ministries' respective contributions to Vision 2020, as well as to the agenda of the National Strategic Development Plan (NSDP). The PU (previously the referred to as the NIU) and the PSC gathered inputs from the various government departments, in order to align the project to the policies and activities planned

²⁴ Previously MTICM.

in the Diagnostic Trade Integration Study (DTIS) update, and the Lesotho United Nations Development Assistance Planning (LUNDAP)²⁵.

12. The government departments have articulated their roles in accordance with their national and agricultural trade development agenda, and respective strategies. Hence, MAFS leads the productivity aspects of the project (provision of agronomical and agriculture extension officers, training of farmers jointly with ITC and the selection of such beneficiaries); MTICM leads Trade and Market development aspects of the project (seeking market connectivity and linkages with private sector hotels and supermarkets to join the supply chain that links to local and export markets). It was envisioned that Lesotho would have a chance to become less dependent on food imports, as well as develop exportable products for the South African and SADC markets as a second step after the success of the Integrated Framework (IF) mushrooms project.

National Steering Committee (NSC)

13. The NSC is chaired and coordinated by the Principal Secretary (PS) of the MTI, and involves stakeholders from the public and private sector, as well as representatives of Non-Governmental Organizations (NGO). The NSC shapes the national priorities and projects for submission to the EIF Board. The PS links his function in the NSC to the Tier 2 project via the office of the EIF Coordinator based in Lesotho, and, where necessary, directly with the PU (previously referred to as the NIU) including the Project Manager based in Lesotho. For this project, the role of the PSC is to provide the following:

- overall coordination and policy advice;
- monitoring and oversight to the project's overall approach and direction;
- approval of annual workplans submitted by the PU and budgets prepared by the MIE and PU;
- approval of reports submitted by the MIE and the PU;
- through the PU approve updates/amendments to the budget and workplans;
- submission of reports to government and the EIF Secretariat; and
- ensure political support at the highest level in the country.

14. It was agreed that the EIF FP (MTI) would provide the following additional support:

- guidance to the PU on the general direction of the project;
- validate the choice of local entities eligible to receive grants from ITC for the implementation of agreed activities;
- validate terms of reference (TOR) of the external evaluation to be conducted at the end of the project; and
- disseminate project results within the country.

Planning Unit (PU) / National Implementation Unit (NIU)

15. As noted above, the functions of the NIU have been incorporated into the Planning Unit (PU) located in the Ministry of Trade and Industry (MTI) following an ongoing re-organization of the EIF structures. The PU was mandated to assist with the implementation of the overall EIF activities in Lesotho under the designation of the EIF Coordinator. As per the EIF rules and objectives, the NIU and now PU was designated to facilitate the integration of the activities of the project into the strategies and operational plans of the respective Ministries of MTICM (now MTI and MSBDCM), and MAFS, ensuring country ownership of implementation and results, and a basis for future sustainability. The PU (and previously the NIU), located in the MTI, has the following responsibilities:

- closely guide ITC on project implementation issues;
- jointly with ITC select and mobilize local technical counterparts as suitable national experts;
- take responsibility to ensure information flow between the different stakeholders at the national level;

²⁵ At the time of writing the project document, One UN was under United Nations Development Assistance Framework (UNDAF), which was changed to LUNDAP during 2013.

- ensure agreed activities, timelines and outcomes are observed by local partners and to prepare national takeover of the project outcomes;
- put in place a programme for promoting visibility for the project, at the national level throughout the Steering and Project Committee and other channels;
- take responsibility to prepare and submit project reports to the stakeholders;
- prepare quarterly project monitoring and evaluation meetings jointly with the MIE; and
- coordinate and provide secretarial/administrative and logistics support to ITC experts during project missions.

Project Steering Committee (PSC)

16. The PSC is comprised of representatives from all participating Ministry departments, ITC, and the PU (including the Project Manager and EIF Coordinator), and is chaired by the PS (MTI). The PSC serves as an advisory body that deals with project implementation issues, helping the Project Manager and the EIF Coordinator in moving the project forward within departments and across the Ministries. It was envisioned that the PSC meet on a weekly basis, where ITC is represented by the Project Manager based in Lesotho. The PU provides the Secretariat services to the PSC.

Lesotho-based Project Manager

17. The Project Manager based in Lesotho, was recruited by ITC jointly with the MTICM (now MTI and MSBDCM) and United Nations Development Programme (UNDP). The Project Manager works with the PU and coordinates project inputs from the various departments of the Ministries, who have agreed to mainstream project activities into their ongoing trade development work. ITC and hired consultants provide technical inputs according to activity plans, as agreed with these departments and the Lesotho-based Project Manager.

ITC Project Manager (Office for Africa)

18. The Country and Project Manager in ITC would provide the following:
 - guide ITC's technical sections on implementation issues;
 - coordinate overall project within ITC (ITC Technical Sections, Division of Programme Support) and in collaboration with the PU;
 - ensure that technical inputs are in line with the country development policy and strategy;
 - review and adjust workplans according to periodic reviews in the country;
 - ensure agreed ITC activities, timelines and outcomes are delivered as per plan;
 - decide on budget allocations and revisions;
 - prepare quarterly progress reports, financial statements (jointly with technical sections and PU), and midterm and final evaluation reports;
 - jointly with the PU disseminate information and success stories of the project;
 - collaboratively resolve implementation challenges through the Coordinator and the FP; and
 - ensure that sector-cross cutting issues such as the gender and environmental dimensions of the projects' activities are fully considered and enhanced where possible.

ITC's Technical Sections

19. Through the office of the Country and Project Manager in ITC, provide technical inputs and the following support:
 - ensure effective and timely implementation of individual project components;
 - prepare job descriptions and work schedules for national and international consultants of the project, briefs, and guidance and facilitate their work;
 - provide ITC Project Manager with quarterly progress reports and other necessary reporting information;
 - provide guidance and advice to national counterparts for the successful implementation of the projects activities; and
 - ensure quality and timely delivery of any implementation reports.

Lesotho National Development Corporation (LNDC) and the Market Centre (MC)

20. The MTI, as the government authority in the functions of the LNDC, is responsible for providing buildings that the EIF project would use as the MC. Both the MTI and MAFS recognized the importance of the MC as an integral part of the supply/value chain (Trade) development aspect of the project. It was envisaged that MAFS would provide agricultural extension officers for day-to-day technical support to the recipient farmers in order for them to have better utilization of the MC. The DSQA in the MTI and the Department of Crops (MAFS) would also support these producers on quality assessment and inspection via the MC premises and along the supply chain.
21. Arrangements were made with Freshmark (a South African fresh produce bulk distributor serving retail outlets in the Republic of South Africa and the rest of the region, with operations in Lesotho) to absorb all fresh produce. The company was approached and expressed interest to provide marketing infrastructure for the MC. Freshmark also promised to provide technical support to training farmers in GAP, and production planning. Freshmark would also train employees of the MC in grading and packaging of fresh produce to ensure compliance with foreign markets requirements.

Other Partnership Arrangements

22. The project is implemented in close collaboration with other UN agencies as part of the LUNDAP. The LUNDAP has included the EIF projects in its workplans, recognizing the work of all UN agencies working in the agriculture sector. This is coordinated by the respective Ministry departments that are internally implementing these other projects. The design of the EIF project does not have direct inputs from these other projects, however, the same Ministry departments manage these various projects in a complementarity fashion.

Midterm evaluation 2015

23. A midterm evaluation was completed in May 2015, which resulted in 12 recommendations. The midterm evaluation and its results were discussed by the stakeholders in May 2015, and a management response and action plan were submitted to the ITC Evaluation Unit in February 2016. The objective of the midterm evaluation was to confirm whether the programme was performing towards achieving the objectives and outcomes set out in the logical framework, and take remedial action where the programme might not be on track. The midterm evaluation found the project to be well designed, and highly relevant with the potential to have a significant positive impact on rural poverty, and improve Lesotho's export earnings. At the time of the midterm evaluation, however, the project was in danger of being undermined by political changes to the Ministries' processes at the strategic level, and also from incorrect local procedures followed during the design, approval and initiation phases of the project. This affected the project and had the potential to negatively impact four of the five project outcomes. As of May 2015, only Outcome One was on track towards completion. As a result of the midterm evaluation, the project duration was given a no-cost extension until the 31 December 2016.

2. PURPOSE AND SCOPE OF THE EVALUATION

24. The final evaluation is to take stock of the results achieved by the project over its implementation span and to identify lessons learned. More specifically, the final evaluation will:
 - Assess the performance and results (including potential impact) of the project, in particular to support intervention partners and beneficiaries in achieving project outcomes;
 - Assess the progress of the implementation of the midterm evaluation recommendations;
 - Identify lessons that can contribute to building better projects and programmes in the future, for sustainability and scalability of the interventions; and
 - Generate findings, and recommendations, and lessons useful for ongoing and future projects and programmes.
25. The evaluation will assess all elements of the project's design, implementation, and management, including processes, operations, and results. It will cover the period from the start of project implementation to the present.

26. The evaluation of processes will assess the management of the project cycle in relation to project delivery and timeliness while considering roles, responsibility, and decision-making processes. The evaluation of operations will assess the extent to which results have been achieved, look at the overall contribution of the project to the project's direct beneficiaries and situate the benefits of the project in the national trade development context. In addition, the broader role of ITC in supporting the identification of trade priorities, capacity building, and/or transfer will be analysed.
27. The evaluation report will be made available by ITC to the ES and the TFM, the EIF Donor Facilitator (UNDP), and the EIF FP who will share it with the PSC for subsequent submission to the NSC. Finally, the midterm evaluation findings and lessons learned will be used to inform the final evaluation of the project.

3. SUGGESTED EVALUATION QUESTIONS

28. Within the framework of ITC's overall technical assistance, and in line with OECD-DAC criteria, the evaluation will mainly focus on relevance, effectiveness, efficiency, impact, and sustainability. The evaluation will address the below questions, which will be finalized in the Inception Report.
29. A six-point rating system is applied to ITC evaluations, as found in Table 2 below. Justification for the rating of each evaluation criterion, and a composite rating for overall performance and results based on the consideration of the individual ratings, is provided. Rating for overall performance and results should not be an average of the individual ratings, it should be based on the appropriate weight for the different criteria deliberated and applied in line with the focus of the project and the operational context.

Table 2. Evaluation Criteria Ratings

Six-Point Rating System	
6 Highly satisfactory	A project with overwhelming positive results, and no flaws.
5 Satisfactory	A project with some strong results, and without material shortcomings.
4 Moderately satisfactory	A project with a clear preponderance of positive results (i.e. it may exhibit some minor shortcomings though these should be clearly outweighed by positive aspects).
3 Moderately unsatisfactory	A project with either minor shortcomings across the board, or an egregious shortcoming in one area that outweighs other generally positive results.
2 Unsatisfactory	A project with largely negative results, clearly outweighing positive results.
1 Highly Unsatisfactory	A project with material negative results and with no material redeeming positive results.

Relevance

- Are the project objectives and design relevant to the development needs of Lesotho, and consistent and coherent with priorities of the Government of Lesotho and the primary stakeholders in the country?
- Are the project objectives and design in line with ITC's Results Framework?
- Are the project objectives and design, including the logical framework, relevant to the needs and priorities of the targeted partners and beneficiaries?
- Was a needs assessment conducted at the design stage, and did it sufficiently consider the needs and priorities of the partners and beneficiaries?
- Were any major modifications made in the objectives and design, including the logical framework, during implementation? If so, what is/are the modification(s) and provide the reasons for the modifications?
- Did the project benefit from available knowledge (e.g. the experience of other aid for trade projects such as those undertaken by the World Bank and the International Fund for Agricultural Development [IFAD]) during its design and implementation? How effectively

did the project compliment or overlap with other related development initiatives in Lesotho?

- Were gender equality and human rights issues, such as compliance with national laws and regulations related to minimum wage and child labour, taken into account in the project?
- How well has the management response addressed the problems identified in the midterm evaluation? How effective is the sharing and use of previous monitoring and evaluation results, including lessons learned, by ITC and project stakeholders?

Effectiveness

- Has the intervention enhanced the skills and knowledge of SMEs and their cooperative in the use of appropriate technology in the production of high-value FFVs? Have SMEs and their cooperative used these new skills to improve their situation and actions?
- Has the intervention enabled the Masianokeng Mushroom laboratory to provide greater volumes of Mushroom Spawn? Has the Masianokeng Mushroom laboratory improved its role of meeting the demand for the spawn in Lesotho?
- Has the intervention strengthened the capacity of the DSQA to deliver Quality Assessment support services to SMEs? Has DSQA improved its Quality Assessment support services to SMEs?
- Has the intervention strengthened the commercial Market Centre? Is the commercial Market Centre managing inclusive supply chain services linking cooperatives to domestic and international markets?
- Has the intervention improved the financial management skills among target farmers? Have target farmers used these new skills to improve their situation and actions in particular in terms of repaying bank loans?
- Do all identified partners and beneficiaries have access to and make use of the project's results available thus far?
- To what extent has the project intervention been effective in addressing gender equality, and adherence to national policies related to human rights issues such as minimum wage and child labour?

Efficiency

- Did the project governance facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities by all parties involved? How efficient is the communication between the MIE and the local teams (including: the PU, the private sector, donors, NGOs, and UN agencies, and the relevant government line ministries) to manage the project?
- Did the project receive adequate political, technical and administrative support from its national partners?
- Did the monitoring system address the need for effective management and accountability and did it enhance project evaluability? Was there an internal control system of financial and fiduciary arrangements in place in ITC and in Maseru?
- What is the rate of implementation of midterm evaluation recommendations?
- Were the anticipated activities and outputs delivered on time according to the quality requirements, the workplan, and the expected outcomes?
- Were resources (funds, human resources, time, expertise, etc.) allocated strategically by EIF, Government, and other donors (if relevant) in order to achieve the outcomes? Were project funds and activities delivered in a timely manner?

Impact

- To what extent has the achievement of the project outcomes contributed to the reduction of rural poverty and enhance economic growth on a sustainable basis in accordance with the Government's Vision 2020 and its National Strategic Development Plan, and MDGs 1, 3, and 8?
- To what extent did the project successfully empower the implementing partners and beneficiaries in achieving progress towards the reduction of rural poverty and enhanced economic growth?

- Is there any potential impact aligned to the Sustainable Development Goals (SDGs)?

Sustainability

- Was a specific exit strategy or approach prepared and agreed upon by key partners to ensure post-project sustainability?
- What is the likelihood that results/benefits will continue after the project ends? What factors are in favour of or against maintaining benefits?
- Is there a clear indication that the government and/or other key partners have committed financial and human resources to maintain benefits and results?
- Is the business environment conducive to the maintenance of the project's results?
- Are there any potential contributions towards the new EIF Global Logical Framework?
- What other factors would play a major role in promoting or ensuring sustainability and/or scale of impact?

4. APPROACH AND METHODOLOGY

30. The evaluation should use ITC results framework, to examine and assess the coherence and validity of:

- a. The intervention results chain which lists and articulates causal links between the activities, outputs, outcomes and impact, taking into account a series of assumptions;
- b. The theory of change (ToC) which describes the pathway to change between the components of the results chain examining how and why the intervention is meant to lead to results; and
- c. The intervention strategy which is put in motion to enable these pre-conditions for success and project adaption to changes in knowledge and context.

31. While conducting these analyses, if the results chain or the TOC is absent or poorly defined the evaluation should reconstruct it retrospectively using ITC results framework, based on the understanding of the objectives, assumptions, activities, and related performance indicators. Fine-tuning or reconstructing of the results chain and the TOC should be undertaken during the evaluation process and should solicit the active participation of stakeholders.

32. Evaluation methods will be discussed during the briefing meetings with ITC Evaluation Unit at the beginning of the assignment. The Evaluation Service Provider will propose in the inception report the methods that are most appropriate for the purpose of the evaluation. These may include, but are not restricted to, a mix of qualitative and quantitative methods such as:

- Desk review, including all major documents such as the project document, progress reports, minutes from meetings, and baseline data;
- Interviews with key project stakeholders including Project Managers based at ITC and in Lesotho, as well as individuals based in MTI, PU, DSQA, MSBDCM, MAFS - Department of Crops, Department of Research; and UNDP;
- Interviews with beneficiaries in Lesotho;
- Field visits;
- Stakeholder analysis; and
- Surveys and/or questionnaires.

33. Triangulation between various data sources and methods will be used to ensure the reliability and consistency of data collected. A detailed statement of the evaluation methods to be used for conducting the midterm evaluation must be included in the Inception Report.

5. MAIN DELIVERABLES

34. The evaluation will be conducted by an Evaluation Service Provider. The Evaluation Service Provider will be responsible for the delivery of outputs as set out below. In addition, the Evaluation Service Provider will be responsible for the process of editing the text for publication and transmission of the final report to the Evaluation Unit. The project team in Geneva and the EIF/PU

in Lesotho will assist the Evaluation Service Provider by providing reports and baseline information, planning and participating in interviews with key informers and stakeholders at local level.

Inception Report

35. The Inception Report will be a strategic and technical analysis that paves the way for the evaluation process. It will build on and be coherent with the evaluation TOR, and will use initial desk review/research, and early interviews to conduct early analysis. Based on early findings gathered during the analysis of the results, chain, the ToC and the intervention strategy the Inception Report will define in an evaluation matrix, what will be evaluated (evaluation issues to be addressed), how the process for conducting the evaluation will be deployed (methods, sources of data and a workplan). In terms of field visits it will include a list of identified partners and beneficiaries, with relevant contact details for interviewees and recipients of the questionnaire and focus group discussions, and interview schedules). The Inception Report will also include an analysis of possible risks encountered during the evaluation process together with a mitigation plan, and a strategy for communication/dissemination of the evaluation report.

Draft Evaluation Report

36. Guided by the inception report, the Draft Evaluation Report will be based on desk review and data collected during the evaluation. It will include an Executive Summary and will delineate factually-motivated recommendations by drawing on the findings of the evaluation. The structure of the evaluation is to follow the ITC Guidelines for Evaluation Reports.²⁶ Materials gathered and desk analysis should be accessible for reference and use, and, to a reasonable, cost-effective extent, retained as supplementary volumes or annexes to the Final Evaluation Report. The Draft Evaluation Report will be submitted to the ITC Evaluation Unit for comments, and subsequently circulated to key stakeholders for comments and feedback. An audit trail, detailing how the report has addressed stakeholder comments will also be included in the Draft Evaluation Report.

Final Evaluation Report and Learning Note

37. In agreement with the ITC Evaluation Unit, the Final Evaluation Report will be submitted after having addressed all comments of stakeholders. For communication purposes, an Evaluation Learning Note, focusing on key learning issues generated by the evaluation, will also be submitted. As expected with the Draft Evaluation Report, the structure of the Final Evaluation Report is to follow the ITC Guidelines for Evaluation Reports²⁷.

6. EVALUATOR COMPETENCIES

38. The Evaluation Service Provider should have the following qualifications, experience, and competencies, which will be needed to effectively conduct the evaluation:
- Advanced degree in the field of project management, social science, development studies or another relevant field of study;
 - Technical skills/experience in horticulture and agricultural marketing development initiatives;
 - Knowledge of the EIF operations, with technical competency in trade issues, particularly Aid for Trade, and expertise in results-based management and capacity building;
 - Demonstrated knowledge of and a strong record in designing and/or leading evaluations (including qualitative and quantitative evaluation methods) – experience in evaluation within the UN system would be an asset;
 - Prior project/programme evaluation experience, preferably in trade-related technical assistance projects, including in-depth knowledge of evaluation principles, methodologies, data collection tools, and data analysis;
 - Knowledge of developing country economies, and knowledge of Lesotho, in which this evaluation is to be carried out, in-country experience would be an asset;

²⁶ ITC Guidelines for Evaluation Reports, September 2016, will be provided at the beginning of the assignment.

²⁷ Ibid

- Proficiency in English and excellent report writing skills, with the ability to write clear and concise analytical reports, and to communicate effectively with various stakeholders including Government officials, donors, private sector representatives, and other beneficiaries;
- Good facilitation, presentation, and analytical skills for evaluation findings;
- Excellent organization and time management skills;
- Strong interpersonal skills, with the ability to work with people from different backgrounds to deliver quality products within short timeframe; and
- Ability to be flexible and responsive to changes and demands; and to be result-based and open to feedback.

39. In accordance with the Compendium of EIF Documents: A User's Guide to the EIF²⁸ the procurement process of the Evaluation Service Provider will follow ITC procedures²⁹.

7. MANAGEMENT ARRANGEMENTS, WORKPLAN, AND TIMEFRAME

Managements Arrangements

40. During project implementation, ITC (the MIE) ensures that the evaluation takes place in a timely manner. The ITC Evaluation Unit will supervise and monitor the progress of the evaluation. In preparing the final evaluation, together with project staff and key stakeholders, the following will be undertaken by ITC, ES, TFM, PSC, NSC, and PU:

ITC

- Consult with key stakeholders to prepare for the evaluation;
- Prepare a draft TOR for the evaluation including key evaluation questions (final approval is given by the ES and TFM);
- Manage the evaluation, including: the hiring of the independent evaluation service providers; supervising the evaluation process; involving proper stakeholders in the evaluation process including the ES and TFM; ensuring the quality of the evaluation deliverables; and conducting regular consultations and consensus building activities during the process;
- Determine the key evaluation questions the evaluation should answer and the target audience for the evaluation;
- Circulate the draft inception report to the PU, ES, TFM, NSC and PSC for comments;
- Collect comments and send to the Evaluation Service Provider;
- Circulate the draft evaluation report to the PU, ES, TFM, NSC and PSC for comments;
- Collect comments and send to the Evaluation Service Provider;
- Send the final evaluation report to the ES, TFM, and the PU, who will share it with the PSC for subsequent submission to the NSC, national partners, and other stakeholders;
- Conduct communication and learning events, based on the evaluation findings, recommendations, and lessons; and
- Follow-up on the implementation of recommendations.

ES and TFM

- Participate in the consultations during the evaluation process and provide feedback, comments and clarify expectations on accountability and learning issues;
- Comment on and endorse the TOR;
- Comment on the Draft Inception Report;
- Comment on the Draft Evaluation Report;
- Endorse the Final Evaluation Report; and
- Participate in communication, learning, and follow-up actions.

²⁸ *Compendium of EIF Documents: A User's Guide to the EIF*, March 2012, available at: <http://www.enhancedif.org/en/document/compendium-eif-documents-users-guide-eif>

²⁹ Further information regarding ITC procurement and procedures can be found on the ITC website at: <http://www.intracen.org/itc/about/working-with-itc/procurement/>

NSC and PSC

- Comment on the Draft Inception Report;
- Comments on the Draft Evaluation Report; and
- Participate in communication, learning, and follow-up actions.

PU

- Participate in consultations during the evaluation process and provide feedback, comments and clarify expectations on accountability and learning issues;
- Comments on the Draft Inception Report;
- Comments on the Draft Evaluation Report; and
- Participate in communication, learning, and follow-up actions.

PU and ITC

- Jointly facilitate the evaluation;
- Arrange stakeholder meetings;
- Control the quality of the report; and
- Consult with local stakeholders, the ES, and the TFM on the evaluation findings and conclusions.

Tentative timeframe for the evaluation process

41. The implementation period of the evaluation process covers a tentative period between 14 November 2016 and 24 February 2017. Within this period, the estimated amount of approximately 35 workdays would be required by the service provider over a period of approximately five months. Details of the timeframe and deliverables, as well as duration and estimated number of workdays, are provided in Table 2 below.
42. It should be noted that the timeframe identified in Table 2 is tentative; it is an estimate in order to provide an indication as to the amount of time that should be expected for each step. It should be understood that if more or less time is required for any of the above steps the timeline will be discussed between the evaluation service provider and the MIE.

Table 2: Timeframe and Deliverables

Timeframe and Deliverables	Duration	Estimated Number of Workdays
Service Provider completes an initial round of desk research and preliminary review of documentation to determine the evaluability of the project, including initial interviews to determine methodology. At the end of this period, the Service Provider submits a <u>Draft Inception Report</u> to the MIE.	+ 2 weeks	10
Evaluation Unit reviews the Draft Inception Report to ensure its conformity with the TOR and quality requirements.	+ 1 week	
Draft Inception Report is completed and submitted at the end of this period for circulation to stakeholders (including the NSC, PSC, and PU) for comments and feedback.	+ 2 days	2
MIE circulates the Draft Inception Report to all stakeholders (including those from the NSC, PSC, and PU) for comments. Feedback and comments are sent to the MIE. At the end of this period, the MIE sends comments to the Service Provider.	+ 1 week	
Service Provider answers questions, provides justifications, and/or incorporates changes into the Inception Report. At the end of this period, the Service Provider submits the <u>Final Inception Report</u> to the MIE, which	+ 2 days	2

includes the methodology, questionnaire design, and complete analysis of data collection methods, for approval.		
The Service Provider implements agreed methodology in the Inception Report. At the end of this period, the Service Provider sends an <u>Update</u> to the MIE on collected findings.	+ 4 weeks	10
Service Provider completes the write-up of the Draft Evaluation Report. At the end of this period, the Service Provider submits the <u>Draft Evaluation Report</u> to the MIE.	+ 1 week	5
MIE reviews the Draft Evaluation Report to ensure its conformity with the TOR and quality requirements.	+ 1 week	
Draft Evaluation Report is completed and submitted at the end of this period for circulation to stakeholders (including the NSC, PSC, and PU) for comments and feedback.	+ 2 days	2
MIE circulates the Draft Evaluation Report to all stakeholders for comments. At the end of this period, all stakeholders submit comments (including those from the NSC, PSC, and PU) on the content of the draft report to the MIE for onward transmission to the Service Provider.	+ 2 weeks	
Service Provider answers questions, provides justifications, and/or incorporates changes into the Evaluation Report. At the end of this period, the Service Provider submits the <u>Final Evaluation Report</u> and an Evaluation Learning Note to the MIE.	+ 3 days	3
The MIE submits the Final Evaluation Report to the ES/TFM for endorsement and will circulate it to the PU who will share it with the PSC and the NSC. At the end of this period, the MIE approves the Final Evaluation Report.	+ 1 week	
ITC and Service Provider meet with Lesotho project stakeholders (including the NSC, PSC, and PU) to discuss the implementation of recommendations and dissemination of the evaluation report.	+ 1 day	1
TOTAL	15 weeks	35

8. ETHICAL CODES OF CONDUCT

43. The midterm evaluation will be undertaken in accordance with international norms and standards for the United Nations, ITC, and the EIF.³⁰ Evaluations should be carried out in a participatory and ethical manner. The evaluation should take account of cultural differences, local customs, religious practices, gender roles and age throughout the planning, implementation and reporting of the evaluation. The Evaluation Service Provider should avoid conflicts of interest, the acceptance of gifts, and adhere to the highest technical ethical standards of evaluation. They should fulfil the criteria of professionalism, impartiality, and credibility. In addition, they should:

- Ensure honesty and integrity of the entire evaluation process;
- Respect the security, dignity, and self-worth of the respondents, project participants, and other stakeholders with whom they interact;
- Articulate and take into account the diversity of interests and values and protect the rights and welfare of individuals and institutions involved in the evaluations; and
- Produce and convey accurate information about the project's merit and value, provide information in confidence, and report impartially.

³⁰ United Nations Evaluation Group (UNEG), *Norms, Standards and Guidance*, June 2016, available at: http://www.uneval.org/normsandstandards/index.jsp?doc_cat_source_id=4 ; and International Trade Centre Evaluation Policy and Guidelines at: <http://www.intracen.org/about/impact/evaluation/>

44. The Evaluation Service Provider shall have no past connection with the project so that conflicts of interest are avoided and the credibility of the evaluation process and product is not undermined.

9. REFERENCES FOR THE EVALUATION

45. The reference materials for the evaluation include the documents listed below, which will be made available to the Evaluation Service Provider at the onset of the evaluation.
 - i. The project proposal document including the project logical framework which outlines the outcomes, outputs, and activities, and corresponding indicators and assumptions;
 - ii. The memorandum of understanding (MOU) and specifically the Board approval letter, which indicates the approval conditions set but the Board for the implementation of the project; and
 - iii. The monitoring and evaluation plan, progress reports and other relevant project documents such as supervision mission recommendations are also key sources of information for the evaluation process.
 - iv. The Midterm Evaluation of Horticulture Productivity and Trade Development Project in Lesotho.

ANNEX I: Logical Framework

Objectives	Timeframe	Objectively Verifiable Indicators	Means of verification	Risks/assumptions
<p>Development Objective: Contribute to the reduction of rural poverty and enhance economic growth on a sustainable basis in accordance with the Government's Vision 2020 and its National Strategic Development Plan (NSDP).</p>	2012-2015	Increase in number of smallholder farmers in at least 3 districts generate more household income by participating in the supply chain of agro-industry trade in Lesotho	<ul style="list-style-type: none"> • Reports by the Monitoring and Evaluation Division of the Development Planning Department of the Ministry of Finance and Development Planning (MFDP), using the National Monitoring and Evaluation System (NMES) guidelines. • NIU (MTICM) semi-annual and annual reports submitted to the ES and the Trust Fund Manager (TFM). 	<ul style="list-style-type: none"> • The Government of Lesotho remains committed to assisting small holders producers of FFVs as an integral part of the National Strategic Development Plan (NSDP) towards sustainable economic growth, employment and poverty reduction. • EIF and donor funds received on time.
<p>Purpose: The purpose of the project is to build capacity of Lesotho cooperatives and their members to deliver to the markets high-value Fresh Fruit and Vegetables (FFVs), through improved commercial and competitive value/supply chains.</p>	2012-2015	Increase in the volume /value of products (FFVS) from smallholder farmers that are competitively entering the domestic and external market.	<ul style="list-style-type: none"> • National sector surveys & agriculture reports • Annual reports by the Ministry of Trade and Industry, Cooperatives and Marketing (MTICM) and the Ministry of Agriculture and Food Supply (MAFS). • Reports of target institutions/ cooperatives. • TSI household and community surveys/ monitoring against baseline data 	<ul style="list-style-type: none"> • Smallholder and established commercial farmers willingness to jointly supply FFVs • Government continue to support inclusive Agriculture improvement; • Hotels/supermarkets and cooperatives agree to work together on the supply chain development.

Outcomes	Timeframe	Objectively Verifiable Indicators	Means of verification	Risks/assumptions
<p>1. Enhanced skills and knowledge of Smallholder farmers (SMEs) and their cooperatives in the use of appropriate technology in the production of high-value FFVs.</p>	2012-2015	<p>1.1 Increased number of smallholder farmers /cooperatives adopted production technology in producing a variety of products under the auspices of the MAFS.</p> <p>1.2 Increased participation and income generated by SMEs serving the supply/value chains within and outside Lesotho</p>	<ul style="list-style-type: none"> • Reports generated by research department of MAFS, and Statistics from the MARKET Unit in MTICM 	<ul style="list-style-type: none"> • The government and relevant ministries provide extension services to the target smallholders farmers including agronomical services

<p>2. Masianokeng Mushroom laboratory provides greater volumes of Mushroom Spawn for the ever growing demand for the spawn in Lesotho.</p>	<p>2012-2015</p>	<p>2.1 Extensions completed and additional equipment installed at the spawn production facilities in Maseru 2.2 Increased volume of spawn provided to the greater population of mushrooms producing households.</p>	<ul style="list-style-type: none"> • Reports generated by research department of MAFS, and Statistics from the Market Unit of MTICM 	<ul style="list-style-type: none"> • The government and relevant ministries provide extension services to the target smallholders farmers including agronomy services
<p>3. Strengthened capacity of the DSQA to deliver Quality Assessment support services to SMEs.</p>	<p>2012-2015</p>	<p>3.1 Quality Standards Unit in MTICM is equipped and delivers 'product quality' support services to agro-industry and manufacturing sector 3.2 DSQA designed and delivering product specific quality training in various market areas</p>	<ul style="list-style-type: none"> • Reports generated by research department of MAFS, and Statistics from the MARKET Unit in MTICM 	<ul style="list-style-type: none"> • The government and relevant ministries provide extension services to the target smallholder farmers including agronomical services and expertise.
<p>4. Strengthened consolidation/commercial Market Centre that manages an inclusive supply chain services linking cooperatives to domestic and international markets.</p>	<p>2012-2015</p>	<p>4.1 A public/private sector organization setup and coordinating the value chain processes in support of FFV product and market development issues 4.2 Smallholder farmers supplying FFVs predictably to the consolidation centre and receiving FFV market intelligence on products, prices, and volumes via the consolidation centre's direct ICT based services (SMSs).</p>	<ul style="list-style-type: none"> • Reports from the MTICM and cooperatives on statistics of volumes of suppliers and the buyers from the consolidation centre 	<ul style="list-style-type: none"> • Planning of the project results not unduly affected by adverse macro-economic developments, e.g. unfavourable exchange rates or other increases in input costs • Constant commitment of farmers and FFVs value chain actors.
<p>5. Improved financial management skills among target cooperatives/smallholder farmers and as well as capacity enhanced to receive bank loans.</p>	<p>2012-2015</p>	<p>5.1 Improved record-keeping accounting records of FFV operations by SMEs, cooperatives/farmers. 5.2 Increased reports and receipts of loan repayments by SMEs in the agro-industry subsector</p>	<ul style="list-style-type: none"> • Periodic reports generated by the cooperatives, MAFS/MTICM on financial loans provided by cooperatives and smallholder farmers. 	<ul style="list-style-type: none"> • Interest rates on bank loans remain low and conducive to SME businesses

Outputs	Timeframe	Related Activities	Performance Indicators
<p>Output 1.1 Provision of assistance to the DSQA and the MAFS in developing ToRs for the procurement and supply of relevant agro-technology and related training, using same public tender processes that effectively delivered good results in the previous (IF)Mushroom project.</p>	<p>2012-2015</p>	<p>1.1.4 Identification by MAFS and DSQA of specifications of relevant equipment and their functionality 1.1.5 Preparation of ToRs for public tender processes 1.1.6 Conduct a public tender procurement of the required DSQA and MAFS equipment</p>	<ul style="list-style-type: none"> • Increase in the number of smallholder farming units supplied with appropriate agro-technology. • Increase in number of SMEs trained and using acquired technology in FFV production.
<p>Output 1.2 Procurement and delivery of required equipment and support services to the DSQA and the MAFS and including special training for the benefit of the cooperatives and their members.</p>	<p>2012-2015</p>	<p>1.2.7 Identify and select group of smallholder farmers to be supplied with relevant agro-technology. 1.2.8 Procurement of the requisite equipment and its delivery to Lesotho, 1.2.9 Installation of agro-technology onto selected beneficiaries cooperatives/farms 1.2.10 Identification and assignment of Technical Experts by MAFS to the project towards coordinating and provision of Agricultural Extension and Agronomical Services to SMEs under the Greenhouse or any other appropriate technology. 1.2.11 Conduct training and coaching workshops by technical experts on: - Growing techniques - irrigation, crop husbandry, pest control, environment, plant health and occupational safety, - Record keeping, - Traceability and - Good Agricultural Practice (GAP) 1.2.12 Provision of training and creation of awareness among cooperatives on sustainable use of technology within the agriculture trade operations.</p>	<ul style="list-style-type: none"> • Improved skills in agro-technology management by the FFV producers • Increase in the number of people trained under the designed MAFS and DSQA programme for supporting cooperatives.
<p>Output 2.1 Expanded production and storage capacity of the Central Mother Unit for the Mushroom spawn</p>	<p>2012-2015</p>	<p>2.1.1 MAFS conducts an assessment of the volume and frequency of spawn demand by local Basotho farmers. 2.1.2 Procurement and installation of the appropriate equipment at the identified production premises. 2.1.3 Provision by DSQA of training on product quality management to the Mushroom growers at the Masianokeng premises</p>	<ul style="list-style-type: none"> • Increase in the volume of spawn supplied to mushroom producers

<p>Output 2.2 Establishment of three Export Production Cooperatives (EPC)s.</p>	<p>2012-2015</p>	<p>2.2.1 Extension of the block farming scheme to enhance establishment of three Export Production Cooperatives/ Villages (EPV)s 2.2.2 Provision of training of Technical Experts in establishment of EPCs 2.2.3 Identify and select target sectors suitable for export-oriented co-operatives based on sector analysis studies 2.2.4 Conduct feasibility studies for the establishment of new structures which meet market needs. 2.2.5 Prepare strategic plans and roadmap for establishing new EPCs 2.2.6 Governance structures in place and new EPCs launched.</p>	<ul style="list-style-type: none"> • MAFS block farming guidelines produced for mushroom suppliers to local and regional markets • At least 3 EPCs s setup and functional
<p>Output 3.1 Provision of technical assistance to the DSQA towards improving their support to cooperatives in quality control issues.</p>	<p>2012-2015</p>	<p>3.1.4 Procurement and installation of modern equipment for chemical analysis for the soils laboratory at the Agricultural Research department (MAFS) to be a functional testing facility for proper research and chemical analysis. 3.1.5 Recruit and train staff to inspect, test and certify agro products. 3.1.6 Design and implement a programme for Food Laboratory support services towards: - Phytosanitary services to facilitate exports and imports of agricultural Commodities and products. - Provision of soil fertility testing services to farmers - Pests diagnosis (identification and issuance of control recommendations) 3.1.4 Implement a GLOBALGAP compliance training for the local producers and exporters</p>	<ul style="list-style-type: none"> • Acquisition and installation of chemical analysis equipment by DSQA • Increase in the number of personnel recruited and trained in the use of acquired equipment. • Increase in the number of quality assessment services provided by DSQA and the Lesotho Food Laboratory.

<p>Output 3.2 Provision of technical training and advisory services, jointly with both the Department of Crops and the DSQA towards building the effectiveness of the FFV cooperatives.</p>	<p>2012-2015</p>	<p>3.2.11 Conduct awareness raising workshop on SPS issues, supply chain issues, packaging, food safety and quality requirements, business matching solutions and branding</p> <p>3.2.12 Develop Packaging Practice Guide for horticulture products (FFV)</p> <p>3.2.13 Conduct workshop on food safety, quality and traceability.</p> <p>3.2.14 Train and design FFV traceability system covering the entire supply chain;</p> <p>3.2.15 Conduct training to selected teams on food safety systems - HACCP/ISO 22000.</p> <p>3.2.16 Conduct training to smallholder farmers on the improvement of hygiene and food safety within the FFV sphere.</p> <p>3.2.17 Register Lesotho to the Global System 1 (GS1) in Brussels to enable adopting of global barcodes and product tracking system for the local products</p> <p>3.2.18 Conduct training and awareness of the locals in use of barcodes and product traceability</p> <p>3.2.19 Design technical training material on quality and conduct training workshops for various target groups</p> <p>3.2.20 Create communication material and radio/TV programmes for inculcating 'quality' in the population, producers groups, and related cooperatives</p>	<ul style="list-style-type: none"> • Increase in number of agricultural producers, managers of cooperatives trained on buyer requirements and supply contracts for FFV supply • Number of Technical Experts trained and able to roll out further capacity building in: Quality Management, Supply Chain Management, Product & transport Packaging, and Quality Management • At least 5 selected trainees demonstrate knowledge and skills to implement HACCP/ISO22000 processes • Basic manual on Good Agricultural Practices (GAP) and GLOBALGAP provided to training institutions
<p>Output 3.3 Established and strengthened Agricultural Standards and Certification Framework for fresh produce production in Lesotho.</p>		<p>3.3.3 Design and implement a legal framework for basic metrology infrastructure covering the regulation of weighing instruments used for trade, the labelling and sale of goods, and the use of legal units of measurement.</p> <p>3.3.4 Develop product certification marks according to SADC's standards and technical regulations.</p>	<ul style="list-style-type: none"> • Number of certification marks developed by DSQA
<p>Output 4.1 Provision of assistance to the MTICM and the LNDC in developing a sector strategy and support services for the Market Centre to enable it to coordinate and manage product quality, packaging and access to finance in the supply /value chain process</p>	<p>2012-2015</p>	<p>4.1.5 Identification of local organization to be the commercial product consolidation and distribution centre linking to number of retailers</p> <p>4.1.6 Conduct transport and logistics survey with respect to supply of FFVs from SMEs producers to the centre</p> <p>4.1.7 Conduct training in food supply chain strategies linked to consolidation and distribution centres.</p> <p>4.1.8 Assist processing centres to implement quality management systems at the Consolidation & Market Centre</p>	<ul style="list-style-type: none"> • Consolidation Market Centre facilities established in Maseru • Number of training events completed for specific FFV logistics and value addition issues via the Market Centre • Market Centre leading FFV business development

<p>Output 4.2 Provision of technical training and advisory services to cooperatives and related smallholder farmers on issues such as product quality, market intelligence, packaging, and product branding.</p>	<p>2012-2015</p>	<p>4.2.5 Conduct market review and buyer requirements, and supply chain capabilities to identify the best fit, gaps in performance and implement solutions towards better volumes, varieties, and predictability of supply. 4.2.6 Define and agree on information needs for the various entities in the value chains and cooperatives 4.2.7 Provide pre-retailing services such as packing and hanging of goods; 4.2.8 Provide growers and Consolidation Centre staff with exposure mission to Johannesburg Fresh Produce Markets or retail changed to support SME knowledge development.</p>	<ul style="list-style-type: none"> • Market survey report which identifies the FFV technical and buyer requirements by hotels and supermarkets in Lesotho • Increase in nzu7mebr of cops able to respond to product/market requirements for FV supply business
<p>Output 4.3 Provision of training and technical material on gender and youth mainstreaming in the services of Market Centre and the beneficiary cooperatives.</p>	<p>2012-2015</p>	<p>4.3.3 Design technical training material on gender and youth within the agriculture trade operations of the Market Centre. 4.3.4 Conduct training and awareness of the cooperatives in gender and youth within the agriculture trade operations of the Market Centre.</p>	<ul style="list-style-type: none"> • Improved/increased participation of youth and women in the value chain management of the FFV businesses, to include students from Roma University.
<p>Output 4.4 Design and implement an IT-based commodity market platform accessible by SMEs via mobile SMS and linking cooperatives to the Market Centre.</p>	<p>2012-2015</p>	<p>4.4.3 Establish a sustainable Market Information System (daily price, production volumes, available products and demand) to be used as a computerised platform of a commodity exchange within Lesotho. 4.4.4 Create awareness on the use of mobile phone (SMS) technology in selling/marketing of agro-commodities by smallholder farmers and cooperatives.</p>	<ul style="list-style-type: none"> • ICT-based market platform established in the MTICM or Market Centre • Buyer/sellers conduct additional business via centralised IT (SMS) transaction processes • Increased access to information /intelligence by cooperatives and buyers via SMS or related solutions
<p>Output 4.5 Provision of technical assistance to design and implement a sector strategy that drives vertical/backward business linkages</p>	<p>2012-2015</p>	<p>4.5.4 Assist MAFS, MTICM and associate producers groups in designing and formulation of sector strategy development in 3 districts 4.5.5 Conduct training in food supply chain strategies linked to consolidation and distribution centres, to include packaging, quality, supply chain, branding, and labelling. 4.5.6 Provision of advisory support/guidance to cooperatives on structuring and managing profitable FFV supply/value chain services</p>	<ul style="list-style-type: none"> • Completed training in sector strategy development and targeted to expose SMEs to supply chains serving local and regional hotels /supermarkets
<p>Output 4.6 Private sector leading supply/value chain processes between producers and exporters</p>		<p>4.6.1 Conduct a baseline data and information gathering exercise (status of existing development activities, producer's situation, buyers and customers' requirements) 4.6.2 Organize a consultative meeting with government agencies, buyers, and other key value chain stakeholders to identify products and segments to specialize on 4.6.3 Sign a MoU with identified business organization to coordinate linkages with domestic and external markets</p>	<ul style="list-style-type: none"> • Increased role for private sector in FFV procurement system linking large buyers such as Freshmark and Denmar to the Market Centre or directly to Cooperatives

<p>Output 4.7 Provision of accompaniment to cooperatives and related smallholder farmers on the identification of buyers, negotiation, and signature of trade contracts.</p>	<p>2012-2015</p>	<p>4.7.1 Recruit consultant / consulting firm (national) to assess the delivery capacities 4.7.2 Sensitize the potential buyers about the existence, roles, and accessibility to the smallholder farmers, the Cooperatives, and the integrating MC hub 4.7.3 Matching offer and demand and signing contracts 4.7.4 Supervisory services in first deliveries and payments</p>	<ul style="list-style-type: none"> • Cooperatives and FFVs, in general, achieved market entry and secured orders
<p>Output 5.1 New and diversified financial solutions for SMEs developed and provided to cooperatives</p>	<p>2012-2015</p>	<p>5.1.1 Conduct mapping exercise to identify constraints on access to finance for smallholder farmers 5.1.2 Design a finance scheme that links Credit Guarantee Scheme Secretariat- (CGSS) (Ministry of Finance as guarantors of SME bank loans; 5.1.3 Design a targeted facility to link producers to financial support services.</p>	<ul style="list-style-type: none"> • Financial gap analysis produced and endorsed by stakeholders • ‘Crop Card’ financing schemes or similar model set-up to support smallholder farmers’ access to finance via generation of financial statements acceptable by banks in lieu of collateral security. • Increased awareness by Cooperatives /members on FFV financial management
<p>Output 5.2 Completed delivery of coaching and training programme for selected financial counsellors to support financial management needs of SMEs.</p>	<p>2012-2015</p>	<p>5.2.1 Identify /Select group of qualified persons to train as counsellors. 5.2.2 Provision of coaching to smallholder farmers through counsellors and MTICM 5.2.3 Provide agro-business advisory and training to SMME institutions involved in the enhancement of microfinance; 5.2.4 Provision of bookkeeping and FFVs business management to SMEs and related academic institutions.</p>	<ul style="list-style-type: none"> • Increased number of FFV financing projects approved by Government Credit Guarantee Scheme or the LNDC Credit Grantee Scheme. • Increased number of local counsellors trained to support SMEs in FFV business finance management.
<p>Output 5.3 Design and implement an IT-based “crop card” system to capture SME production/financial data to enable quantitative and financial statements for bank loans.</p>	<p>2012-2015</p>	<p>5.3.1 Design an ICT based ‘crop card’ system for data capturing and generation of financial statements for use by SMEs in bank loan applications 5.3.2 Identify set of farmers to pilot the ‘crop card’ model of agro-financing with banks</p>	<ul style="list-style-type: none"> • New IT software and computer installed in MTICM and providing data capturing and dissemination services (via SMS and crop cards) • Increase in smallholders farmers obtaining trade intelligence via SMS and receiving financial statements from MTICM or Market Centre
<p>Output 5.4 Resource management capacities improved among target fresh fruit and vegetable cooperatives/smallholder farmers.</p>		<p>5.4.1 Capacity building workshops conducted on strategy and management and service portfolio design and development.</p>	<ul style="list-style-type: none"> • Cooperatives, FFV producers and the CM successful in the management of their business resources.