



**New Partnership for
Africa's Development (NEPAD)
Comprehensive Africa Agriculture
Development Programme (CAADP)**



**Food and Agriculture Organization
of the United Nations
Investment Centre Division**

GOVERNMENT OF THE KINGDOM OF LESOTHO

SUPPORT TO NEPAD–CAADP IMPLEMENTATION

**TCP/LES/2905 (I)
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Volume V of V

BANKABLE INVESTMENT PROJECT PROFILE

Support Services Programme

February 2005

LESOTHO: Support to NEPAD–CAADP Implementation

Volume I: National Medium–Term Investment Programme (NMTIP)

Bankable Investment Project Profiles (BIPPs)

Volume II: Crop Production: Small–scale Irrigation Development Project

Volume III: Conservation and Land Improvement Project

Volume IV: Livestock Production Project

Volume V: Support Services Programme

NEPAD–CAADP BANKABLE INVESTMENT PROJECT PROFILE

Country: Lesotho
Sector of Activities: Agriculture
Proposed Project Name: **Support Services Programme**
Project Area: Nation–wide (10 Districts)
Duration of Project: 5 years
Estimated Cost: Foreign Exchange US\$42.6 million
 Local Cost..... US\$7.6 million
 Total US\$50.2 million

Suggested Financing:

<i>Source</i>	<i>US\$ million</i>	<i>% of total</i>
<i>Government</i>	10.0	20
<i>Financing institution(s)</i>	40.2	80
<i>Beneficiaries</i>	–	–
<i>Private sector</i>	–	–
<i>Total</i>	50.2	100

LESOTHO:
NEPAD–CAADP Bankable Investment Project Profile
“Support Services Programme”

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Abbreviations

ARC	Agricultural Resource Centre
APCBP	Agricultural Policy and Capacity Building Project
ATV	All Terrain Vehicle
BIPP	Bankable Investment Project Profile
CAADP	Comprehensive Africa Agriculture Development Programme
CBL	Central Bank of Lesotho
GDP	Gross Domestic Product
IDM	Institute of Development Management
IFAD	International Fund for Agricultural Development
LADB	Lesotho Agricultural Development Bank
LIC	Livestock Improvement Centre
LIPAM	Lesotho Institute of Public Administration and Management
MAFS	Ministry of Agriculture and Food Security
M&E	Monitoring and Evaluation
NEPAD	New Partnership for Africa’s Development
NMTIP	National Medium–Term Investment Programme
PC	Project Coordinator
PIU	Project Implementation Unit
SP	Service Provider
TA	Technical Assistance/Assistant

I. PROJECT BACKGROUND

A. General

I.1. The *Support Services Programme* is intended to address the critical constraints to production related to variety of services related to Marketing comprising of infrastructure, agribusiness and agro-industry; extension; mechanization; credit and overall capacity building in support of the production efforts of the projects in the NMTIP. The services already constrain production and are required irrespective of the scale of implementation of the rest of the NMITP.

I.2. The ability of farmers to market their produce is one of the major constraints to agricultural production. Marketing products requires infrastructure covering (i) networks of information concerning markets and competing production (ii) networks of communication for business transactions (iii) networks of transport and handling for movement of inputs and produce (iv) storage, processing and outlet and facilities. The delivery of extension services is currently hampered by lack of adequate facilities at the *Agricultural Resource Centres* (ARCs), most critical of which is transport of staff. Production is also impaired by the number and quality of agricultural machinery and equipment in the hands of farmers, largely due to problems related to acquisition of spare parts and maintenance services. Finally, access to credit is a major constraint for small farmers as financial services are mainly directed to organized business and industry.

I.3. While major investments in the information, communication and transport networks require coordination with the sectors of transport and communications, the rest of the other problem areas require the direct intervention of the Agriculture sector.

B. Specific Information

I.4. Lesotho is a land locked state in the southern African subcontinent, entirely surrounded by the Republic of South Africa. The total area of land suitable for agriculture is estimated at 24 percent, with only about 9 percent being arable. With over two thirds of the land being mountainous, Lesotho suffers significant soil erosion and the cost of building transport infrastructure is significant.

I.5. The total population is estimated at 2.2 million with 82 percent being in rural areas. agriculture contributes 17.3 percent of Gross Domestic Product. Industry contributes 52.2 percent and services 29.5 percent to GDP. Lesotho’s main exports are clothing, foot wear, wool and mohair.

I.6. The internal road network is estimated at over 5,000 km and is linked with the road network of South Africa. A short rail track of less than one kilometre within Lesotho links the capital Maseru with the rail network of RSA. The Moshoeshoe I International Airport has recently been expanded to handle cargo capacity of up to tonnes per annum, primarily for purposes of agriculture.

II. PROJECT AREA

II.1. The project covers all ten districts of Lesotho. The level of provision of infrastructure varies from district to district. In general the challenges could be presented as follows:

II.2. **Rural Infrastructure.** Feeder road networks and links, rural electrification, rural telecommunications, post offices and tele-centres need to be planned to address areas of high agriculture production. Strong coordination between the ministries responsible for agriculture and

trade on the one hand and those responsible for communications, works and electrification need to be established so that the latter may direct their development planning taking into consideration the needs of agriculture. Rehabilitation and construction of new depots, collection points, grain drying and storage facilities need to be built and sold to the public under a local privatisation programme.

II.3. **Agricultural Mechanisation.** Farmers who are too small to afford to individually purchase agricultural equipment such as harvesters, tractors and planters need to be assured availability of this plant at the appropriate time in the appropriate season. The few Basotho who own such equipment currently experience the problem of availability of spare parts especially for equipment imported from outside the region, and maintenance skills.

II.4. **Food Processing and Packaging.** There exist in the country few operational food processing plants capable of handling increase production. The national abattoir in Maseru has undergone problems of management leading government decide to privatise it. The Basotho Cannery in Masianokeng also ran into management problems and ceased to operate. Government needs to assist the local private sector in building animal abattoirs, cold storage and packaging of perishables for export by securing development funds and lines of credit to invest in the capital of these plants or for on-lending to small operations.

II.5. **Cottage Industries.** The sector has been promoted more by the *Ministry of Tourism* and the Ministry of Trade although it serves as an outlet for a variety of agricultural and natural resources products. Such industries include but are not limited to mohair carpet weaving; animal skin and horn products; wood and pole production and marketing; thatching grass and weaving of products such as hats and baskets; production of dried spices, herbs, fruits and vegetables and home based canning and production of fruit jams and honey.

II.6. The agricultural sector should encourage the development of those cottage industries that promote the sustainable use of agricultural produce and land resources through acquiring development funds to on-lend to small enterprises and cooperatives as well as investing in the human capital required.

II.7. **Agricultural Credit.** Availability of finance and credit is one of the constraints to development in agriculture since rural family incomes do not generate enough surpluses for investment in working capital in the subsequent years, let alone in bulky investments required for intensification. Collapse of the *Lesotho Agricultural Development Bank (LADB)* has left a void yet to be filled, while the absence of a credible intermediary for channelling external funding of micro-finance results in lost opportunities for the farming community. Agribusiness and agro-industry may be able to tap the resources of other micro-enterprise, but pure agriculture characterised by higher levels of risk needs special institutional arrangements. Similarly an institution to administer development grants in the form of subsidies in accordance with the policy is required to tap sources different to those of the *Lesotho Fund for Community Development (formerly Highland Revenue Fund)*.

II.8. Other constraints to acquisition of credit from conventional financial institutions such as banks include inability to use land as collateral, high overdraft and loan interest rates compared to low rates on savings, as well as the high risks associated with agricultural incomes.

II.9. There is therefore a need for a financial institutional set-up to handle the specific problems of agricultural investment, short term credit and development grants for poverty alleviation and food security. The *Agricultural Policy and Capacity Building Project (APCBP)* had a component of establishing the Farmer and Community Support Fund which lent to communities and individuals in

amounts between M2,000 to M20,000. The *Rural Finance Unit* housed at the Central Bank of Lesotho (CBL) has been established under the IFAD assisted *Rural Finance and Enterprise Support Project*. It provides among others partial guarantees on loans by commercial bank to *Rural Savings and Credit Groups* (RSCGs) and societies for activities that may include agriculture. There remains however a need for credit facilities for loans to individual commercial farmers (in excess of the M50,000 limit) under terms that recognize the peculiarities of agricultural production.

II.10. Windows of opportunity are now apparent in the form of the recently passed legislation on private financial institutions and the re-establishment of the *Postal Bank* with its omni-presence in the rural areas.

III. PROJECT RATIONALE

III.1. The group of interventions in the *Support Services Programme* constitute a set of activities aimed at addressing constraints to overall development of the agricultural sector in Lesotho. In the sense that some of the infrastructure facilities address more than one enterprise or sub-sector they emphasise the policy theme of integration as well.

III.2. The project upholds the government policy of privatisation and decentralisation but propose state participation in the provision of services that the private sector would not easily provide due to high initial costs. Thus state intervention is required not only to continue to improve the policy framework, but also in these early days of reform to provide an impetus in financing pre-investment studies for large scale developments, initial capital and risk bearing for investment into productive assets that can later gradually be sold to the public.

IV. PROJECT OBJECTIVES

IV.1. The objectives of the project are

- to provide adequate infrastructure and facilities for the acquisition and distribution of key inputs and the collection and sale of produce from the farms, as well as mechanisms for conduct of transactions between farmers and suppliers and buyers in the form of agribusinesses and agro-industries;
- to provide adequate facilities at the resource centres for farmers to access extension services and for extension staff to reach out to these farmers;
- to facilitate the private sector to create a network for the maintenance of agricultural machinery and equipment through out the country;
- to create the *Agricultural Development Credit and Savings Fund* aimed to facilitate farmers access to commercial credit, based on a credible principles of credit guarantees and revolving funds; and
- to provide for overall capacity building needs during the implementation of the *National Medium-Term Investment Programme*.

V. PROJECT DESCRIPTION

V.1. The project consists in the following key components. (i) *Study of Adequacy of Rural Infrastructure and Rehabilitation and Construction of Depots/Sheds and Collection Points*; (ii) *Assistance in Starting up Processing Plants*; (iii) *Assistance to Cottage Industries* (iv) *Establishment of Support to Agricultural Mechanisation*; (v) *Establishment of Agricultural Credit and Finance Fund*; and finally (vi) *Capacity Building*.

Component 1: Rural Infrastructure

V.2. Feeder road networks and links, rural electrification, rural telecommunications, post offices and telecentres have a potential to act as sufficient incentives for growth of agricultural production where they presently act as constraints. The extent of opportunity can best be established through a strong coordination between the ministries responsible for agriculture and trade on the one hand and those responsible for communications, works and electrification. A study is proposed to examine the needs of agriculture for these services so that future developments can focus on high priority areas.

V.3. ***Output 1.1: Study of Adequacy of Rural Infrastructure for Agriculture.*** A major output of this component is a study report outlining the areas of weakness and opportunities for development of feeder roads and rural bridges, access to rural electrification to support rural plant and facilities, rural communications in terms of telecentres and individual ICT as well the acquisition and dissemination of marketing information for use by farmers.. Study recommendations will point out to priority areas of investment for implementation by relevant sector ministries to support agriculture and related activities together with the needs of other sectors of the rural economy.

V.4. ***Activities and Inputs:***

- Identify a national task team;
- Recruit consultants;
- Data collection and analysis;
- Formulate recommendations;
- Submit study.

V.5. ***Output 1.2: Marketing Nodes.*** A second output of this component is rehabilitation and construction of *Marketing Nodes* or *Depots* consisting of 40 such centres, being four per district.

V.6. ***Activities and Inputs:***

- Agree mechanisms for take-over and management of facilities with beneficiary farmers;
- Specify and cost work required to rehabilitate facilities;
- Design and tender for construction of new facilities; and
- Supervise construction to commissioning.

V.7. ***Output 1.3: Strengthening of Extension Services.*** The project will provide for rehabilitation and expansion of extension facilities consisting of 54 existing and 10 more new ARCs; provision of one twin cabin light delivery truck and two All Terrain Vehicles (ATV) so-called “quad bikes” at each of the 64 resource centres; rehabilitation of a total of 45 *Livestock Improvement Centres* (LICs) and

finally a network of tele-centres for exchange of marketing information. The tele-centre network shall consist of a central server at the headquarters of the Department of Field Services, computers with internet connection at each of the ARCs and software to facilitate collection and dissemination of information. Under the capacity building component below extension staff shall be trained to interpret useful web content to farmers.

V.8. **Activities:**

- Undertake an inventory of components requiring rehabilitation at ARCs;
- Prepare specification for procurement of vehicles and equipment and construction services;
- Prepare specifications for the acquisition of soft and hardware for the telecentre network;
- Implement contracts to completion.

Component 2: Assistance in Starting up Processing Plants

V.9. A major deterrent to investing in the production of livestock and perishable crops remains the ability to package and or process these products so as to increase their shelf life and to deliver them to distant markets. Under this component the project shall rehabilitate and privatise existing government owned facilities, and deliver the new processing enterprises under the private sector but with the assistance and participation of the state as necessary.

V.10. **Outputs:** The national cattle and sheep abattoir shall be rehabilitated and privatised; the piggery and poultry processing plants and a hatchery. The former Basotho Cannery shall be rehabilitated and expanded to handle the canning of fruits and vegetables and packaging green vegetables and flowers for direct export.

V.11. **Activities:**

- Identify for each industries key stakeholders and champions and partners;
- Establish available equity capital mobilised or mobilisable and financing gaps;
- Prepare design and specifications and acquires sites; and
- Construct facilities and commission.

Component 3: Assistance to Cottage Industries

V.12. Cottage agro-industries have a high potential for adding value to subsistence and transition farmers. As an example vegetable and fruit drying permit subsistence consumption outside the harvesting season, while the drying of herbs and spices and production of dried meat production facilitate the marketing of these products. Under this component the project will assist farmers with technical advice and credit to increase their participation in these industries.

V.13. **Output:** The fundamental problem of cottage industries using agricultural produces is their relatively small size and consequent difficulties in marketing products. The project output of the component shall be creation of a national facility to provide information on the demand for these products, its dissemination to key stakeholders, a credit fund to facilitate owners to incur up-front costs of production.

V.14. **Inputs and Activities:**

- Identify needs;
- Provide training for small businesses and cooperatives; and
- Facilitate access to funding and recovery.

Component 4: Establishment of Support to Agricultural Mechanisation

V.15. The difficulties associated with the maintenance of agricultural machinery and equipment has been linked to the large variety of makes delivered under different projects in the past as well as the absence locally of after sales services even for equipment from within the southern African region. One answer to this is the provision by centralized collective private sector services capable of linking farmers to the markets and providing mechanical skills locally.

V.16. **Output:** The project output shall be a set of sustainable mechanisms and arrangements and physical facilities to support the ownership and utilization of agricultural equipment and machines. The arrangements and mechanisms will be in the form of smart partnership agreements between government and the private sector as well as with agents in Lesotho and the neighbouring countries to support a reliable supply chain of spare parts and servicing while the physical facilities will be a national and up to three mobile workshops with trained teams to provide roving maintenance services all over the country.

V.17. **Activities and Inputs:**

- Mobilize procurement and maintenance service providers in Lesotho to form a collective action group;
- Establish an organisational framework for the maintenance facility of a national programme;
- Compile an inventory of existing plant and machinery indicating ownership and location;
- Design and implement a network of mobile and one central workshop to service available plant and standardize acquisition of new plant.

Component 5: Establishment of Agricultural Credit and Finance Fund

V.18. The collapse of the LADB has been followed by a number of isolated efforts in various projects to facilitate access to credit through mobilization of the RSCGs as a form of micro-finance institutions. This has culminated in a facility currently housed at the Central Bank aimed at supporting access to commercial credit by small enterprises through a guarantee scheme. The project will help identify a permanent home for this fund and streamline operations to permit a wider access to credit facilities and to help the fund to manage existing and future revolving funds.

V.19. **Output:** The project deliverable will be a permanent institutional arrangement for administering agricultural credit, in the form of an *Agricultural Development Fund*, charged with the responsibility of on-lending external and public funds, recovery of past and present agricultural loans, and running revolving fund(s) for medium term working capital in agricultural production. Subject to further study the fund could also extend services of agricultural insurance and re-insurance.

V.20. **Activities:**

- Undertake a study of the most appropriate institutional set up for Agricultural Credit and Financing involving established financial and new micro–finance institutions;
- Implement the recommendations for management and administration of an Agricultural Development Fund; and
- Provide initial capital for the fund, with appropriate mechanisms for transfer to the local final investors.

V.21. The cost of this component included in Table 1 covers only the establishment of the fund and does not include the seed funding to be on–lent to farmers under the various production projects as these are include in each of the project profiles.

Component 6: Capacity Building

V.22. Nearly all of the projects in the NMTIP in the productive (crop and livestock) and infrastructure (irrigation and conservation) categories have some form of other of capacity building in the form of extension and awareness creation, training of beneficiaries and sector staff, research and institution building. This component will support these cross–cutting issues within the more general context of the agricultural sector as a whole.

V.23. **Outputs:** The project deliverables will be network of national institutions or strengthening of existing institutions delivering the above mentioned cross cutting services as follows: Strengthening and establishing a permanent home for national agricultural research, strengthening farmer training and extension, reestablishment of secondary and tertiary training of para–professionals and sub–professionals. In the institution building category the project output will be a facility for training of managerial and executive staff of various private businesses established to deliver services as well as the public institutions intended to regulate these businesses.

V.24. **Activities:**

- Establish a vision for agricultural research in Lesotho within the 2020 framework;
- Determine the institutional set up for AR services, relationship with institutions of tertiary education and international research, methods of financing and payment of services to farmers;
- Topical research on new crops, agricultural machinery, seed production and other burning issues is included as activities in the relevant production and livestock projects.
- Establish a vision for training and education in agriculture within the 2020 framework and make recommendations on the appropriate form and functioning of the *Agricultural College* and *Farmer Training Centres*;
- Undertake training of increased numbers of extension staff as well provide re–orientation courses for existing staff to facilitate the proper functioning of the UES; and
- Develop courses at LIPAM and IDM aimed at management training for private businesses and public institutions concerned with agricultural production and distribution.

VI. ESTIMATED PROJECT COSTS

VI.1. The total cost is preliminarily estimated at US\$50.23 million, including contingencies. A summary of the project cost is presented in the next table.

Preliminary Project Cost Estimate – Summary by Component					
Component/Activity	Local Currency	Foreign Currency	Total	% Foreign Currency	% of Total Base Cost
1. Rural Infrastructure					
<i>Study</i>	6,000	54,000	60,000	90%	0.1%
<i>Marketing Nodes</i>	577,000	2,309,000	2,886,000	80%	6.7%
<i>Extension Services</i>	2,208,000	8,834,000	11,042,000	80%	25.6%
Sub-Total Component 1	2,791,000	11,197,000	13,988,000	80%	32.5%
2. Processing Plants	1,957,000	17,614,000	19,571,000	90%	45.4%
3. Cottage Industries	11,000	25,000	36,000	69%	0.1%
4. Agricultural Mechanisation	–	4,700,000	4,700,000	100%	10.9%
5. Agric. Credit & Finance Fund	100,000	400,000	500,000	80%	1.2%
6. Capacity Building	1,714,000	2,571,000	4,285,000	60%	9.9%
Total Base Costs	6,573,000	36,507,000	43,080,000		100.0%
Physical Contingencies (10%)	657,300	3,650,700	4,308,000	85%	10.0%
Price Contingencies	434,000	2,410,000	2,844,000		6.6%
Total Project Cost (US\$)	7,664,300	42,567,700	50,232,000		116.6%
Exchange rate: 1 US\$ = 7 Lesotho Maloti.					
The physical contingencies are estimated at 10 percent of base costs while price contingencies assume an annual escalation of 3 percent throughout the implementation period of five years.					

VII. PROPOSED SOURCES OF FINANCING

VII.1. Given the nature of support services for the agriculture sector, it is proposed that the development partners shall finance 80 percent of the project with government financing the remaining 20 percent. During the privatization of some of the facilities constructed under the project those acquiring these enterprises shall pay the assessed asset values in the local currency.

VII.2. It is proposed to invite those donors whose current country economic strategies focus on infrastructure such as transport and communications to consider financing of the above study and resulting investments.

VIII. PROJECT BENEFITS

VIII.1. Basic infrastructure is a pre-requisite for development of production as clearly indicated in the production related (crops and livestock) projects. In the absence of marketing, production can only be limited to subsistence or local distribution and the supply of inputs becomes impossible.

VIII.2. The project’s benefits, though difficult to quantify, include easier access to inputs and output market, better access to extension services, access to services of maintenance of agricultural machinery.

IX. IMPLEMENTATION ARRANGEMENTS

IX.1. The implementing agency of the project will be the *Ministry of Agriculture and Food Security* (MAFS). The ministry will implement the project through its normal structures at the Headquarters in Maseru, primarily through the *Department of Planning and Policy Analysis* in collaboration with the *Department of Field Services*.

IX.2. A team of three persons will constitute a ***Project Implementation Unit*** (PIU) in order to assure project execution as well as its coordination within the MAFS and with agencies outside the ministry. This will be the ***Project Coordinator*** (PC), ***Project Accountant and the Monitoring and Evaluation*** (M&E) Officer. The PC shall liaise with the three departments to ensure the project works are incorporated in the annual work programmes of the departments in the annual planning and budgeting process, in a manner that will permit the targeted rate of execution and funds disbursement. The PIU shall process procurement of goods and services at the national level including recruitment of short and long term Technical Assistance as well as payment and disbursement applications.

IX.3. The Principal Secretary retains the overall responsibility and accountability for the project but shall set up appropriate mechanisms to ensure communication of progress of the project to a sufficiently wide range of stakeholders to ensure its success.

X. TECHNICAL ASSISTANCE (TA) REQUIREMENTS

X.1. ***Technical Assistance*** (TA) is required to supplement the available skills in the ministry in matters of preparation of technical specifications for the procurement of construction services required as well as acquisition of specialised equipment.

X.2. At the stage when the facilities will be privatised addition technical assistance will be required to prepare appropriate bid documents, evaluation of offers and final award of bids.

XI. ISSUES AND PROPOSED ACTIONS

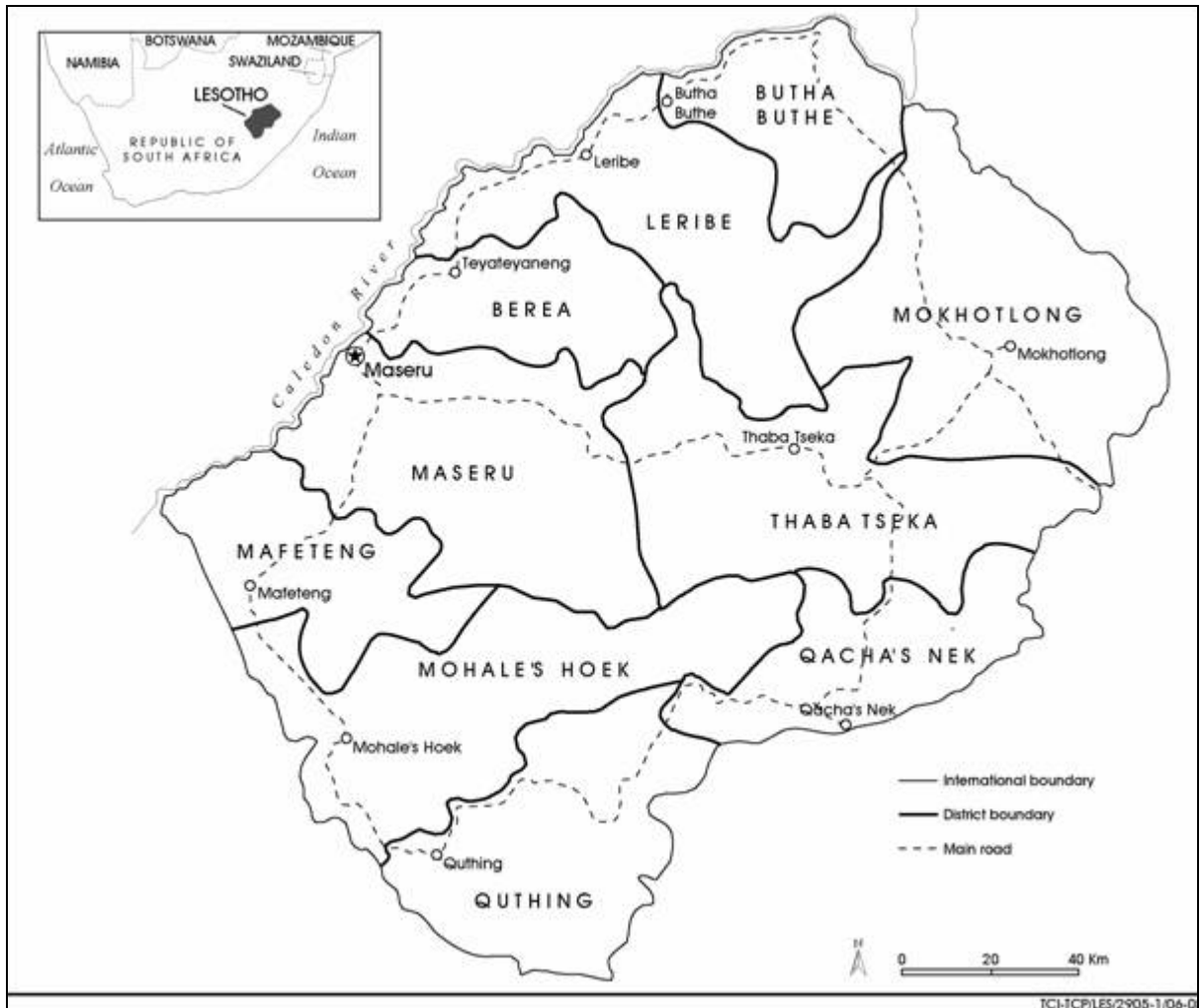
XI.1. As with the rest of projects in the NMTIP, the main issue is that additional work remains to be done to complete the project preparation to the point where interested donors may undertake appraisal. Ideally the additional work should be undertaken after such donors have identified key areas of interest and specific areas of information requirements.

XI.2. In the meantime, the MAFS needs to prepare detailed inventories of available facilities as well as identify in greater detail the needs for the services in the project to facilitate rapid refinement of the project proposal.

XII. PROJECT RISKS

XII.1. All of the work in this project is overdue. Further delays in implementation of the project components implies that investment in the hands of private persons in the form of mechanical equipment in need of maintenance is idle and could deteriorate further. The facilities provided at the Moshoeshoe I International Airport for export of agricultural produce remains idle while the chain links in marketing make it difficulties for the first cargo plane to take off. Thus the risk of delay in the implementation of this project has financial consequences in terms of idle financial resources.

Appendix 1: Map of Lesotho



Appendix 2: Preliminary Cost Estimates

	Unit	Quantity	Unit Cost (M'000)	Total Cost (M'000)	Total (US\$m)
Rural and Marketing Infrastructure					2.946
<i>Study of Adequacy of Rural Infrastructure</i>					
Staff and reimbursable items	LS	1	420	420	0.060
<i>Marketing Nodes</i>					
4 per district	Nr	40	500	20,000	2.857
Marquees for market days	Nr	40	5	200	0.029
Extension Resource Centre					11.042
<i>Rehabilitation of Facilities</i>					
Rehabilitate 54 existing	Nr	54	60	3,240	0.463
Build 10 new	Nr	10	4,500	45,000	6.429
<i>Motor Vehicles</i>					
2x4 Twin-cab per ARC	Nr	64	270	17,280	2.469
2 ATV Quad bikes	Nr	128	58	7,424	1.061
<i>LICs Rehabilitation and Expansion</i>					
Facilities complete at average cost	Nr	45	60	2,700	0.386
<i>Telecentre Network</i>					
		66	25	1,650	0.236
Processing Plants					19.607
<i>Sheep and Cattle Abattoir</i>					
Facilities complete including feedlot and fodder production	LS	1	40,000	40,000	5.714
<i>Piggery</i>					
Breeding infrastructure and processing	LS	1	8,000	8,000	1.143
<i>Poultry Abattoir and Hatchery</i>					
Plant complete	LS	1	22,000	22,000	3.143
<i>Canning of Fruits and Perishables</i>					
Rehabilitation of Basotho Cannery	LS	1	15,000	15,000	2.143
<i>Dairy Plant Expansion and Product Diversification</i>					
Facilities complete	LS	1	28,000	28,000	4.000
<i>Egg Processing</i>					
Expand capacity of present pilot	LS	1	24,000	24,000	3.429
Cottage Industrial Infrastructure					
<i>Equipment and Infrastructure</i>					
Allow 5 per district	Nr	50	5	250	0.036
Support to Mechanisation					4.700
<i>Central Workshop</i>					
Facilities complete for 2,000 tractors (including procurement of spare parts)	LS	1	32,000	32,000	4.571
<i>Mobile Workshops one per Region</i>					
Equipped vehicles	Nr	3	270	810	0.116
Set of initial spares	Nr	3	30	90	0.013
Agricultural Credit and Finance					0.500
<i>Study of Institutional Set up and Establishment of Fund</i>	LS	1	1,750	1,750	0.250
<i>Initial Capital and Seed Revolving Fund</i>	LS	1	1,750	1,750	0.250
Capacity Building					4.286
<i>Training of Extension Staff</i>	Person-day	10,000	0.5	5,000	0.714
<i>Training of Farmers</i>	Person-day	20,000	0.5	10,000	1.429
<i>Coordination of the NMTIP Projects</i>	LS	1	15,000	15,000	2.143
Total Base Cost					43.081
Physical Contingencies (10%)					4.308
Price Contingencies					2.843
Total Project Cost					50.232