

WFP Contribution to Market Development and Food systems in Southern Africa: A thematic Evaluation [January 2018 to March 2021]

1. Introduction

1) Lesotho was one of the six country case studies for a thematic evaluation of the World Food Programme (WFP) market development activities (MDAs) and related food systems support activities in Southern Africa. The evaluation was commissioned by WFP Regional Bureau for Southern Africa (RBJ) and covers the period from 2018 to 2021. The evaluation was intended to answer the question: “What is WFP’s contribution to market development and food systems and how can such contribution be enhanced to contribute towards Zero hunger?”. The primary user of the evaluation is WFP staff involved in designing and implementing MDAs especially Country Office (CO) and RB staff. Other users are Headquarters (HQ) staff involved in development of guidelines, standards, and procedures for designing, implementing, monitoring, and evaluating MDAs. Relevant partners involved in MDAs will also find the evaluation of use to them.

2. Context

2) Lesotho registered an improvement in crop production in 2021 due to the good seasonal rainfall performance, after three consecutive years (2017/2018, 2018/2019 and 2019/2020) of poor agricultural production.¹ Crop production is expected to boost the economy to the moderate growth of 2.6 percent.² Gender inequality in Lesotho has been identified as one of the main contributing factors to poverty, and food and nutrition insecurity. As an illustration, women own 59 percent of micro, small and medium enterprises (MSMEs), but tend to own smaller businesses in comparison with men, and most women-owned businesses operate in the informal sector at 82 percent.³

¹http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/PC_Lesotho_Acute_Food_Insecurity_2021July2022Mar_Report.pdf

² *ibid*

³ Finscope 2016. “Micro, small and medium enterprises (MSME) survey. October. Maseru.

3) The commitment of the Government of Lesotho to the eradication of hunger and undernutrition is enshrined in the national vision 2020⁴ and further elaborated in the 2017 Food and Nutrition Security Policy.⁵ Among other goals, the National Strategic Development Plan (NSDP 2019-2023) promotes inclusive and sustainable economic growth and private sector led job creation. The UN supports these national priorities through the United Nations Development Fund (UNDAF) 2019-2023, which defines the focus of the UN assistance in the country. The COVID-19 response plan for the Government of Lesotho focuses on horizontal expansion of social protection through provision of Cash Based Transfers (CBTs) to the most vulnerable households and provision of take-home rations to school children.

3. Subject of the Evaluation

4) The subject of the evaluation are the MDAs implemented as part of Cash Based Transfers (CBTs) and related agriculture market interventions. CBT in Lesotho was planned to be used under Country Strategic Plan (CSP) **Activity 1: Strengthen the resilience of communities in shock-prone areas** and **Activity 5: Provide cash and/or food transfers to populations affected by shocks**.⁶ In Lesotho, the evaluation covered CBT activities with restricted cash and

specific MDAs linked to specific market actors, which included men and women retailers, partnering banks, mobile money companies and other actors.

5) In terms of agriculture market interventions, these were implemented under **Activity 6: Provide technical support to smallholder farmers and other value chain actors, particularly women, in climate-smart agriculture, food quality and safety, marketing of nutritious food and financial services**.

⁴ http://www.gov.ls/wp-content/uploads/2018/04/National_Vision_Document_Final.pdf.

⁵ Food and Nutrition Coordination Office, 2017: Lesotho Food and Nutrition Policy.

⁶ Lesotho Country Strategic Plan (2019 – 2024).

6) The evaluation had two mutually reinforcing objectives of accountability and learning, with greater emphasis given to learning as this is a relatively new and under-evaluated area of WFP work. In Lesotho, the evaluation assessed changes that happened to retailers, banks, and mobile companies because of the MDAs implemented by WFP in ensuring food access to those receiving assistance. In addition, the evaluation generated lessons on how WFP could strengthen smallholder farmers' linkages to markets to enhance their incomes and contributions to the local economy in general. The findings and recommendations from this evaluation will be used by the country office to enhance design and implementation of market development and system strengthening activities.

4. Methodology

7) The evaluation adopted a mixed methods approach that included an in-depth literature review of project documents sourced from WFP at the CO, Regional and HQ levels, as well as from implementing partners. These included Annual Country Reports (ACRs), Country Strategic Plan, project reports and others. Then, the Evaluation Team used the [Qualitative Impact Assessment Protocol \(QuIP\)](#) methodology to collect data from retailer. As per the QuIP methodology, 24 interviews and four focus group discussions were carried out in Lesotho. This was complemented and triangulated by key informant interviews with five WFP staff from supply chain, Vulnerability Assessment and Mapping/ Monitoring and Evaluation, and smallholder agriculture and market support; three members of farmer associations; two from private sector (Lesotho Flour Mills); government; two from the banking sector and four from the Leribe tractors association. The list of stakeholders consulted is found in [Annex 2](#).

8) Data collection took place on 26th April to 5th May 2021. The evaluation followed the eleven evaluation questions posed by the terms of reference using the evaluation criteria of relevance, effectiveness, impact contribution and sustainability. Gender equality and empowerment of women was mainstreamed throughout the evaluation. Participatory methods of data collection included focus group discussions with men and women retailers. Data analysis assessed progress made for women and men over the period evaluated. The analysis was guided by the theory of

change (ToC) for MDAs developed at inception. Retailer key informant interviews (KII) and focus group discussion (FGD) transcripts were cleaned and put into a comma-separated values (CSV) format, which were uploaded for QuIP coding in Causal Maps (CM) software.⁷ Each transcript was coded following the 'before', 'after', and 'causal link' (or why) format for CM. Codes were generated mainly based on country-specific contexts, but the linkages identified in the TOC were also used as a reference. Master code lists were developed to ensure consistency between coders and country data. Data were also cleaned to provide consistency in the direction of relationships, or to explore nuances where consistency was not possible.

9) Data were then mapped with Causal Maps by illustrating trends, anomalies, and possible entry points. Robustness tests were performed on the main relationships under evaluation, focusing on the expected effects of WFP support. Finally, data maps were interpreted and analysed. In the causal map, the causal link is represented by an arrow linking causal factor 'a' with effect factor 'b'. The reason behind the causal link is gleaned from the quote associated to the causal link coded. The number of links represents the strength of the link, whilst the colour of the arrow represents the direction of the link. Green means a positive change in one factor led to a positive change in the other. Red means a negative change in one factor led to a negative change in the other. When arrows are coloured half in green and half in red, it means the factors were (at least partially) inversely linked. Even if only one link between factors is inverse and the rest are positive, the arrow will be coloured half in green and half in red.

10) The non-QuIP data from key informant interviews (KII) with WFP staff and stakeholders was analysed thematically using coding in Excel. The evidence generated involved a triangulation of data from the literature review, QuIP data and information generated from stakeholder consultations using KIIs.

5. Limitations

11) Weather conditions posed a challenge to data collection. Even though the first week of data collection went well, there was snowstorm on the second week that forced the researchers to pause data collection and do it remotely until conditions allowed their return to

⁷ Causal Map is a new online research tool, a way to code, analyse and visualise fragments of information about what causes what. <https://causalmap.app/>.

the field. However, some respondents did not fully trust phone interviews, as they were afraid of phone scams, which are common in Lesotho. Hence, to finalize data collection, the researchers were sent back to the field.

12) The geography of Lesotho was also a challenging factor that prevented the researchers from reaching more isolated areas, as the means of transportation were not efficient and time effective. To cover the interviews with retailers from those hard-to-reach areas, researchers conducted a few interviews over the phone and managed to meet with a few that were in the provincial capital at the time of data collection.

13) Due to the inefficiency of transportation in Lesotho, focus group discussions (FGDs) with sampled retailers were not viable, as they were not willing to commute to meet at a set location. Instead, the researchers conducted FGDs with retailers in the provincial capital that were not engaged with WFP.

6. Key Findings

14) The evaluation findings and the evidence to substantiate them are presented below along the four evaluation criteria of relevance, effectiveness, impact/contribution and sustainability.

1. Relevance

Question 1: To what extent are market development activities and related interventions informed by market inefficiencies identified during relevant WFP multi-sectoral market assessments and country contexts?

15) The evaluation in Lesotho specifically covered MDAs implemented under the following CBT interventions:

16) *Support to orphans and vulnerable children (OVCs) affected by drought in Mohale's Hoek and Quthing:* The CBTs were implemented in 2019 under the rapid emergency response to OVCs in schools. The entitlements of US\$ 45 per month per household were received by guardians at the retail shop. Part of the entitlement (US\$ 16) was received in the form of vouchers for maize meal, and the remainder (US\$ 29) was delivered in the form of mobile money for other foods. The hybrid response utilised Vodacom's mobile

money platform (M-Pesa) for unrestricted cash distribution and a network of 86 retailers who provided in-kind food assistance for the vouchers.

17) *Support to food assistance for assets (FFA) activities during drought:* In 2019, WFP distributed CBTs for 3 months (US\$ 86/month) to 15,000 people (9,000 women and 6,000 men) in Mohale's Hoek and Quthing districts where FFA activities were being implemented. The cash assistance was disbursed through a national bank.

18) *Lean season and COVID-19 response:* In 2020, a total of 241,090 beneficiaries (52 percent women) affected by drought and COVID-19 in the seven hardest-hit districts were with a combination of cash and commodity vouchers to meet their basic food and nutrition needs.⁸ Where this package of assistance was not feasible due to lack of mobile network coverage and/or protection issues for beneficiaries, assistance was provided using commodity vouchers through retailers.⁹ Unrestricted cash was distributed through Vodacom M-Pesa to allow people receiving assistance the flexibility to buy other foods and non-food essential items.

19) In 2021, WFP expanded the lean season assistance from 6,300 to 13,141 households in the districts of Mokhotlong, Thaba-Tseka and Maseru up to June 2021 targeting rural and urban community councils using a combination of cash and commodity vouchers.¹⁰ Each household received some US\$ 54 per month and as of April 2021, a total of 26,755 people had been assisted.¹¹

1.1. Which market development activities and related interventions have been designed and implemented in Lesotho?

Retail engagement

20) The Lesotho project staff identified seven interrelated MDAs which include:

- (i) *Buying clubs:* WFP implemented capacity strengthening activities of retailers by organizing them into buying clubs as means for reducing prices of commodities for the end consumers. Participants of a bulk buying club are involved in the planning, shopping, sorting, and delivering of the commodities.

⁸ Lesotho ACR, 2020

⁹ *ibid*

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<https://reliefweb.int/sites/reliefweb.int/files/resources/WFP%20Lesotho%20Country%20Brief%20-%20April%202021.pdf>

¹¹ *ibid*

According to the guidelines developed by WFP Lesotho, these buying clubs can either be formal or informal.¹² Formal ones register as an association or cooperative with the Ministry of Small Business Development, Cooperatives and Marketing. The intervention helped owners of small shops negotiate better wholesale deals based on their total aggregated purchases.¹³

- (ii) *Sensitization of retailers regarding national statutory requirements:* WFP trained retailers on legal requirements such as the registration of shops and compliance with payment of taxes.
- (iii) *Linking retailers with farmers:* WFP facilitated linkages between retailers and farmers/producers to address issues of shortages during the lean season assistance. In 2020, the retailers were linked to vegetable farmers and egg producers (though not on a large scale) to ensure availability of the commodities and to meet the increase in demand. According to WFP project staff, these linkages brought economic benefits to both farmers and the retailers.
- (iv) *Linking retailers with Lesotho Flour Mills (LFM) and bean packers:* Retailers trained on bulk buying usually register a license under one retailer who then purchases commodities from the miller on their behalf.¹⁴ This allowed the retailers an opportunity to purchase in bulk directly from the miller rather than the wholesalers.¹⁵ In 2019, the crisis response intervention linked 29 percent of retailers that it had partnered with to Lesotho Flour Mills, allowing the retailers an opportunity to purchase in bulk directly from the miller rather than the wholesalers.¹⁶
- (v) *Linking retailers to Banks:* WFP partnered with Standard Lesotho Bank and Lesotho Post Bank (LPB) to deliver cash to people assisted by WFP and to help improve working capital of retailers so that they can access loans.

Standard Bank is the leading bank in terms of number of branches held, while LPB operates in both urban and rural areas and provides a high number of financial services making them both ideal for the delivery of CBTs.

- (vi) *Linking farmers to the school feeding programme through local purchase:* Out of all MDAs in Lesotho, this the most developed, dating back to 2007/2008 when it was piloted under the Purchase for Progress (P4P) programme¹⁷. Under P4P, WFP purchased 44 metric tons (Mt) beans from small-scale farmers supported by “Growing Nations”, a local NGO¹⁸. In 2014, the pilot was extended to the school feeding programme, under which WFP developed local purchase guidelines for both grains and vegetables for the Ministry of Education and Training. The review of the 2014 pilot¹⁹ identified challenges around logistics of transporting, storing and processing food commodities, food quality and safety testing, food scarcity in the targeted area and food pricing practices among others.

In 2019, WFP purchased 306 Mt of beans directly from six farmer organisations. In 2020, WFP handed over school feeding and phased out the local purchase initiative. During this time, WFP emphasised the need for continuous capacity development of farmers in various elements of local purchase, development of pricing guidelines, promotion of climate smart agriculture, the need to link farmers to other structured markets amongst others.

Through local purchase, WFP promoted market access for women by ensuring that women farmers were recruited into the organizations. WFP also carried out gender sensitization to increase participation of women in farmer organizations meetings, leadership positions and in contract negotiations. In addition, WFP sensitised

¹² WFP Lesotho, 2019. Lesotho guide to retailers in Mohale's Hoek and Quthing on the rules and regulations on the bulk buying.

¹³ Lesotho ACR, 2019.

¹⁴ Lesotho WFP CO- Retailer stories on market linkages.

¹⁵ Ibid.

¹⁶ Lesotho Annual Country Report, 2019

¹⁷ Under P4P, WFP works closely with governments to help them purchase from smallholder farmers to meet the needs of public institutions, such as schools and hospitals.

¹⁸ Lesotho Local Food Purchase Mission Report, May 2014

¹⁹ Kabaluapa, M (2015): Review of the Local Food Purchase Pilot Project, WFP Lesotho Country Office, January 2015.

farmers to ensure that at least 50 percent of the farmers selling food commodities are women, and WFP trained women farmers organizations to ensure more equitable access of inputs and services.

(vii) *Training farmers and retailers on food handling, safety, and quality:* WFP sensitized and trained farmers on the local purchase initiative and WFP procurement process, quality requirements and food safety, basics on post-harvest handling and storage, market information, pricing, and group marketing. In addition, WFP provided weighing scales and sewing machines, branded bags, and transportation.

1.2. Are objectives of the (MDAs) and related interventions in line with the market inefficiencies identified during relevant WFP multi-sectoral assessments?

21) The VAM/monitoring and evaluation unit conducts regular assessments to inform the design and implementation of the CSP activities. Before the commencement of an activity, the CO, in collaboration with government partners²⁰ collects a combination of indicators on market functionality, gender and protection, retailer capacity, security risk, communications infrastructure amongst others under a single assessment. The data collected is meant to inform programming including the modality of transfer to be used. After the end of an activity, the CO conducts 'After action reviews' with several partners to learn lessons and areas of improvement.

22) The CO conducts two types of assessments related to retailers: Crisis Response- Process Monitoring and retailer performance monitoring. The Crisis response process monitoring has been conducted since 2019 and assesses whether the activities were implemented as planned. The monitoring collects data on how services have been provided to beneficiaries, prices, quality of the food basket, assortment of the commodities offered etc. The retailer section collects data on their satisfaction and challenges of the CBT.

23) According to the CO staff, retailer monitoring is more of an inspection of the shops and was started in 2020, after receiving training from HQ. Since then, a report²¹ has been produced. Some of the highlighted challenges were around shops not clearly marking items with proper price tags or price tags not matching the actual price. This was the case in shops assessed in Mphokojoane region.

24) The CO conducted the Market Functionality Index (MFI) in 2020. Due to the complications and capacity constraints in handling the MFI on its own, the CO decided to integrate the indicators within the Lesotho Vulnerability Assessment Committee (LVAC) assessment which was done in May 2021. This market functional analysis component is yet to be finalised and the results shared with the public. The integration of the indicators within the LVAC seems to be a noble decision in terms of capacity strengthening of government and partners and sustainability purposes.

25) There was consensus amongst most informants consulted that the MDAs discussed in section 1.1 were in line with the market inefficiencies identified during WFP multi-sectoral assessments. Consultations with WFP CO staff revealed that, bulk buying clubs and linkages of retailers to farmers and traders were informed by results from the process monitoring.²² Results showed that retailers were exposed to increasing commodity prices from wholesalers. Hence, the CO supported the retailers to buy in groups from Lesotho flour millers, to cut the middleman who was the source of higher prices. Because of WFP interventions, retailers were able to reduce the price of certain commodities and improve consumer's purchase power through CBTs.

26) Results from market assessments showed that limited product absorption capacity of the markets in Lesotho are a problem for smallholder farmers. WFP moved in to facilitate linkage between farmers and the school feeding programme and other markets. In addition, retailer performance monitoring identified gaps on the retailer capacity in meeting demand for perishables, food safety and hygiene in general. WFP provided training to retailers and farmers on food handling, safety, and quality.

²⁰ Government officers from the Disaster Management Authority; Ministry of Small Businesses, Marketing and Cooperatives; Ministry of Trade and Industry and Ministry of Social Development

²¹ Lesotho – Retailer Performance Monitoring & Evaluation: October 2020

²² Crisis Response- Process Monitoring Reports for March 2020, May 2020, October 2020, November 2020 and April 2021

27) An analysis of the process monitoring reports however falls short on two fronts. Firstly, the recommendations are not elaborate enough and do not provide clarity on where responsibilities lie for addressing the challenges identified. As a result, apart from the information gathered from key informants, the evaluation team (ET) found it difficult to assess the extent to which the information generated from these assessments was used. Secondly, there are no recommendations on supporting retailers but are mainly beneficiary focused, thus missing an opportunity for strengthening the MDAs that the CO is currently implementing.

28) The use of standard bank, Post bank and mobile money (M-Pesa) was informed by the WFP Micro financial Assessment (MAFA) conducted in 2018.²³ The MAFA recommended that the CO partners with standard bank in CBT because of their wide coverage and reliability. The results from the same assessment informed the use of mobile money (M-Pesa) to reach CBT beneficiaries located in remote areas and to contribute to increased financial inclusion. Further results showed that Post Bank had wider geographical coverage and in view of the high number of services provided.

1.3. To what extent are the MDAs and related interventions relevant to the needs of the targeted women and men retailers?

29) Respondents acknowledged that MDAs targeted well the needs of the beneficiaries and the different stakeholders benefiting from the interventions. Programme staff explained that by nature, WFP works with poorer and vulnerable populations, but because of the MDAs, beneficiaries were able to purchase basic commodities for lower prices. Smallholder farmers had their profits improved, as they were directly connected to the retailers to buy their products. With the extra profit from the beneficiaries' purchases, small retailers were also able to invest in their shops.

30) Government actors said that the project addressed the immediate needs of the beneficiaries, who were food insecure. By sorting the food locally and engaging with smallholder farmers to supply the retailers, food production was increased, and the economy stimulated. Other stakeholders noted that in buying large parts of the smallholders' production, WFP

lifted a concern that smallholder farmers often have finding markets to sell their produce. With the profit, they were also able to buy fertilizers to enhance production.

31) Smallholder farmers in Lesotho face many challenges that include low production volumes, poor quality, low/poor on-farm storage capacity, marketing challenges, long distance from profitable markets, difficulties in accessing financial resources, which impede them from accessing formal markets. The local purchase is relevant to their needs as a business opportunity for farmers to increase production and productivity and benefit from the large market opportunity offered by WFP and other formal markets.

1.4. Are objectives of MDAs and related interventions in line with national development policy frameworks for achieving zero hunger?

32) The MDAs are all aligned to the Sustainable Development Goal 2: "End hunger, achieve food security and improved nutrition and promote sustainable agriculture". The engagement of retailers, traders, packers, banks and mobile money companies speak directly to the core of the National Strategic Development Plan (NSDP) II²⁴ of making the private sector the driver of economic prosperity and development in Lesotho. Further Linking the school meals programme to local agricultural production was identified as a priority under the 2014 National School Feeding Policy.²⁵

1.5. How can WFP enhance relevant market development programming in Lesotho?

33) All external informants, lamented at the short duration of most WFP CBT interventions (usually 3-6 months), which they saw as a programmatic impediment to long-term transformation. Farmer representatives noted the importance of WFP maintaining consistency on the projects, which is not always the case, given the short duration of some interventions. If project regularity is not maintained, the results of the project can be more detrimental than beneficial for farmers. It was said that once WFP starts buying their produce, they become motivated to invest on the production of more commodities. However, when WFP leaves, farmers struggle to find markets to absorb their increased production.

²³ 2020 WFP MFI Assessment

²⁴ Government of Lesotho (2018): National Strategic Development Plan (NSDP) II (2018-2023).

²⁵ Government of Lesotho (2014): National School Feeding Policy

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34) Stakeholders from the farmers' association suggested that WFP should provide them with a formal contract stating the duration of the project, so that they may plan for an increase in production during that time period. They complained that they had not signed a contract with WFP and only had a verbal agreement. They also requested that payments be made on time.

35) Bank stakeholders said that WFP must improve the accuracy of the beneficiary data sent to the bank, as at times there were errors in the data and beneficiaries had to be asked to return another time when their data had been regularized, thus inconveniencing people targeted by WFP. However, this can be difficult to beneficiaries who come from distant locations and must find a place to stay overnight in nearby location until the situation is solved.

2. Effectiveness

Question 2: To what extent did the identified MDAs deliver expected outputs and contribute to the expected outcomes?

36) While the retail work did not have explicit output and outcome indicators that can be used to measure results, the WFP Corporate Results Framework has a specific output indicator on "Number of retailers participating in cash-based transfer programmes" as well as a more general indicator on capacity strengthening: "Number of people engaged in capacity strengthening initiatives facilitated by WFP to enhance national food security and nutrition stakeholders' capacities".²⁶ Furthermore, WFP has recently developed four key performance indicators which are part of the MFI dimensions to be measured across all WFP operations that engage retailers. The four indicators are described below.

- **Price:** measured by whether the price of a selected food basket in *WFP contracted shops* are **aligned** or **lower** than other stores in the same market; (*can be "WFP engaged shops" in an unrestricted cash environment*)
- **Availability:** measured by the **percentage of selected food baskets in stock** during monitoring visits

- **Quality:** measured by **food quality score** of WFP "engaged" shop increases over time (score from RPME)
- **Service:** measured by **service score** of WFP "engaged" shop increases over time.

37) Interviews with project staff, project stakeholders (millers, banks, farmers associations) indicate that the CO largely achieved what they had planned to do. Besides designing and implementing the MDAs discussed in the preceding section, the CO had the following achievements:

38) *Sensitize retailers on statutory requirements:* All engaged shops were able to open business bank accounts and they all managed to comply with tax and other statutory requirements. After-action review conducted in 2019 and 2020 highlighted that the involvement of retailers boosted the local economy. Beneficiaries' purchasing power increased, allowing many to settle debts, thereby increasing business cash flow.

39) *Bulk buying clubs:* The participating retailers (n=48) in Mokhotlong and Thabatseka rural were interviewed on the *changes* experienced due to their participation in the CBT programme and the results are presented in table 1 below :

Table 1: Changes experienced by retailers participating in cash-based transfers (March 2020-April 2021)

Changes reported by retailers	March 2020	May 2020	Oct 2020	Nov 2020	April 2021
Less demand for purchases on credit	4.2%	3.4%	11.1%	10%	9%
Faster turnover of stocks	18.8%	11.6%	22.2%	16%	20%
Less problems with clients	2.9%	0.7%	1.6%	13%	5%
Greater diversification of products offered in the shop	9.7%	6.2%	1.6%	2%	5%
More clients	2.2%	26%	28%	27%	32%

²⁶ WFP Programme Indicator Compendium -Revised Corporate Results Framework, October 2020 Update.

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Changes reported by retailers	March 2020	May 2020	Oct 2020	Nov 2020	April 2021
Less pressure from others	1%	1.4%	-	2%	4%
Greater credibility from others	1.9%	6.2%	-	4%	4%
Increased profits	33.6%	37%	34.9%	28%	22%

Source: WFP Lesotho process monitoring reports

40) Evidence from these retailer performance reports and process monitoring reports²⁷ indicates significant achievements in terms of faster turnover of stocks, more clients for retailers and increased profits between March 2020 and April 2021. The same reports noted the challenges around delayed payments and high prices due to supply challenges experienced between October 2020 and November 2020.

41) The retailer performance monitoring of the urban response conducted in October 2020²⁸ identified compliance (84 percent of shops scored 'needs improvement and unsatisfactory because of lack of WFP signs displayed and presence of non-functional scales among others) followed by service (52 percent needs improvement and unsatisfactory because of not catering for people living with disabilities). This was followed by the indicator on price where 63 percent scored 'good and very good' but the remainder did not have price tags or tags did not match the actual prices on commodities.

42) *Linking retailers with farmers:* In ensuring poor smallholder farmers' (80 percent women) access to markets, some of whom were asset creation participants, WFP supported farmers by linking them to retailers contracted by WFP in providing in-kind assistance for crisis response.²⁹ Through this linkage, farmers supplied vegetables including carrots and beetroot to retailers in Mphaki's Hoek district for distribution to vulnerable households. Efforts to strengthen this initiative will be implemented in 2021.

43) *Linking retailers with banks:* promoting financial inclusion, making it easier for beneficiaries to access cash.

44) *Linking retailers to the Lesotho Flour Mills.* Retailers were taught how to organize themselves into buying clubs to get more negotiating power with the Lesotho Flour Mills. In addition, WFP trained the retailers on bulk buying, thereby reducing the unit cost of the commodities. WFP worked with Ministry of Small Business, the Lesotho Flour Mills and the traders in implementing this intervention. In ensuring continuity of the local purchase initiative beyond the school feeding programme, WFP facilitated a market linkage between 12 smallholder farmers (40 percent women) and the Lesotho Flour Mills (LFM) and bean packers.³⁰ LFM products such as maize meal, wheat meal, samp, sugar, were delivered closer to retailers. In Mphaki and Telle, Retailers community councils; the alliance promoted bulk purchase resulting in huge savings on transport costs and significant discounts.³¹

45) *Linking farmers and traders to school feeding:* In 2018, WFP procured directly through local traders, while smallholder farmers were being organized into groups and trained. In 2018, during the roll out of local purchase, some challenges³² were observed and these included: (i) Farmers expected WFP to purchase the food commodities at high prices which was not possible, thus necessitating further training on pricing, (ii) Low production of beans, with many farmers growing for home consumption without taking advantage of the school feeding market and (iii) Low number of qualified farmer organisations. In 2019, the number of targeted smallholders increased from 400 to 768 (368 women and 400 men). During the same year, WFP procured 8,365 Mt of maize and 551 Mt of beans.³³ Out of this, 306 Mt of beans were procured directly from six farmer organisations.

46) An after-action review was conducted with the farmers' organizations that supplied beans to WFP in 2018. The review highlighted showed that through the local procurement initiative, farmers became more empowered to work together in groups, and therefore

²⁷ WFP Lesotho Crisis Response : Process Monitoring Reports, March 2020, May 2020, November 2020, October 2020, April-May 2019.

²⁸ WFP retailer performance report- July 2021 (Maseru, Mokhotlong and Thaba Tseka)

²⁹ Lesotho ACR, 2020

³⁰ WFP Lesotho ACR, 2019

³¹ WFP retailer After Action Review Feedback Field Report 16-20 September 2019.

³² WFP Annual Report for 2018 Local Purchase in Lesotho, February 2019

³³ WFP Local Purchase Report in Lesotho- January 2020

were able to meet the demand despite drought-related challenges.

47) *Training retailers and farmers on food handling, safety, and quality:* The farmers organizations that qualified were registered as WFP suppliers and trained on various aspects including WFP procurement process, pricing, quality, post-harvest handling and storage, and gender sensitization. In 2019, the following farmers organizations were trained on various aspects that include post-harvest handling and storage, food quality and safety, pricing and gender mainstreaming. Below are the farmers organizations that were trained. These were refresher trainings conducted based on the feedback received during the after-action review that was conducted in early 2019.

Table 2: Smallholder agriculture market outcome indicators

Outcome Indicators		Baseline	2018	2019	2020	End CSP target
Percentage of targeted smallholders selling through WFP-supported farmer aggregation systems	Female	20		6		>20
	Male	30		13		>30
	Overall	50		19		>50
Value and volume of smallholder sales through WFP-supported aggregation systems: Value (US\$)		1 400 000		165 000	265 000	3 500 000
Value and volume of smallholder sales through WFP-supported aggregation systems: Volume (Mt)		4 070		150	971	10 000

Source: WFP Lesotho Annual Country Reports for 2018, 2019 and 2020

49) 2020- Although initiatives to link horticultural farmers and egg producers with markets were made in the districts where cash-based transfer through crisis response was implemented, these initiatives were implemented at a low scale, making it difficult to measure outcome indicators such as Percentage of targeted smallholders selling through WFP-supported farmer aggregation systems and value and volume of smallholder sales through WFP-supported aggregation systems.

2.1. Factors affecting implementation of MDAs and achievement of outputs and their contribution to outcomes

Smallholder Agriculture Market Support

48) In 2019, WFP supported smallholder farmer organizations in holding trainings, and conducting direct negotiations with farmer organizations during the procurement of food commodities.³⁴ During this period, three smallholder farmer organizations were contracted to supply 150 Mt of beans worth US\$ 165,000 for the school feeding programme. A total of 84 farmers (32 percent of them women) supplied the beans with 100 percent contract performance. The smallholder market support outcome indicators are reflected in table 2.

50) In terms of internal factors affecting the implementation of MDAs, project staff noted that the short-term nature of the funding for the programmes negatively impact the outputs and their contribution to outcomes. Similarly, there were reports of farmers complaining about the lack of continuity of WFP interventions. They also said that because they were not provided with a formal contract clearly stating the duration of the project, it was difficult to predict when

³⁴ 2019 Lesotho Annual Country Report.

they should slow down the production to prepare for the termination of the project.

51) Climate was an external factor recurrently mentioned by several stakeholders: project staff, government and farmers. The implementation of some MDAs can be negatively affected by climate conditions, as it can lead to low production of commodities. Project staff explained that even if the farmers are linked to mills, mill owners will still have to produce some of the cereals abroad, due to the low yield rate within the country. Farmers also said that the rain and floods hinder their production, which was the case in the past year.

3. Impact/contribution

Question 3: To what extent are WFP MDAs contributing to improving market efficiencies in different country contexts?

3.1. Changes that the WFP retail engagement and related MDAs contributed to

52) The retailers were asked to describe the changes they had experienced in the past three years along the market development Key Performance Indicators (KPIs) of *assortment and quality, availability, price, resilience of the supply chain, infrastructure, service, competition, access and protection*. The frequency and the direction of these changes are indicated in table 3. Most retailers indicated a positive change in the prices of the goods, and services provided by their shops, which was reported by 28 and 24 respondents respectively (out of 28). A great proportion of respondents also reported positive changes in the assortment and quality of the products, state of the infrastructure and in marketplace competition. Curiously, changes in wellbeing were the factor with most negative reports as well (9 out of 28). Most of the respondents also felt confident about the future and believed the upcoming changes to be positive and beneficial to their wellbeing. There is a significant number of retailers who stated that they had been no change with regards to access and protection (19 out of 28).

Box 1: Retailers' thoughts on their assortment variety, stocking capacity and its connection to WFP

"They [WFP] gave us money for helping out the less privileged, we bought them food and they paid us for doing so. They boosted my business and expanded my profits. I was able to fix my walls and to increase stock for my business."

"These days I am able to buy large quantities of stock compared to previous years. But I do think things started to improve in my business after working in collaboration with WFP. Since then, I have always managed to buy stock and to make sure that I never run out."

"Yes, my product display has changed because now I have more stock on my shelves unlike in the past when I only used to have a few items. And now I also have a variety of items my customers can choose from. This change I was able to have because of the assistance I obtained from WFP."

"The work that I did brought a huge stability in my finances because I was struggling to keep the shop growing. The money allowed me to inject more stock for the shop to improve business."

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Table 3: Direction of changes reported by retailers consulted (n=28)

Name	-	+	0
Changes in the assortment and quality of products in the past 3 years	5	21	2
Changes in the availability of products in the past 3 years	8	16	4
Changes in their prices in the past 3 years	0	28	0
Changes in the ability to meet market demand in the past 3 years	5	19	4
Changes in the state of shops infrastructure in the past 3 years	2	20	6
Changes in the services provided by shops in the past 3 years	0	24	4
Changes in marketplace competition in the past 3 years	2	20	6
Changes in access and protection to their shop in the past 3 years	1	8	19
Changes in the way the community works together in the past 3 years	1	19	8
Changes in the wellbeing of the household in the past 3 years	9	18	1
Confidence about the future	0	26	2

+ Positive change - Negative change 0 No change. In instances when the sum of responses is lower than n, there were qualitative responses that were impossible to categorize into -, +, or 0. The different colours of purple have been used to differentiate the levels of change. Dark purple is the highest and white is the lowest.

Source: Key informant interviews and focus group discussions with retailers

53) WFP support is clearly one of the main causal factors for the changes experienced, whether negative or positive with 151 statements identifying it as such (Annex 1- Table 5). As such, WFP support led to an effect in 123 statements. The variety of products was more of an effect, since in 59 cases it was identified as one and 21 times it identified as a cause. Similarly, retailer's stock and retailer's income were mostly the result of the changes, as they were mentioned

four times more often as an effect than a cause. The leading cause for changes, however, was COVID-19, with 311 statements.

3.1.1. Perception on how the change for each attribute has occurred in the past 3 years

a) Causal links in connection with assortment and quality

54) As a measure of market functionality, assortment is measured by stock availability of commodities at the time of the purchase and quality is measured by food quality score of WFP engaged shops. To evaluate WFP contribution to improvements in assortment and quality, the evaluation looked at perspectives of retailers in terms of changes in the number of distinct items on sale in the shop and changes in the quality of products sold.

55) WFP was one of the key causal factors that led to a direct increase on the variety of goods and to an indirect increase on their quality (Annex 1- Figure 1). Retailers explained that the partnership with WFP enabled them to improve the assortment of products offered as the demand grew with WFP beneficiaries shopping on their stores (see box 1). However, the enhancement on the restocking capacity was not only derived from the growth in demand, as it was said that with the funds retailers got from working with WFP, they were able to invest it on the business to restock and improve the variety offered. Before the work with WFP, retailers reported struggling to restock or to pay debts, but once WFP payments started to come, that burden was lifted.

56) COVID-19 was also a great factor that led to negative changes in the variety of goods. However, its impact was much greater, as it also had a direct impact on imports, sales, stocks (of retailers and suppliers), demand and prices, which indirectly impacted on the selection of products offered in the shops. Retailers said that they struggled with the effects of COVID-19 in 2020. As Lesotho relies greatly on products imported from South Africa and other countries, it was difficult to import with the restrictions at the border. Even internally, supplies were scarce, and the prices escalated heavily. The decrease in the demand of products due to the lock-down restrictions also lowered retailers' income. It was said they had to make strategic choices to have a more selected stock and only sell basic needs products that would not stay in the shelf for too long or rot. There were reports of scarcity in a range of products, such as flour, bananas, cabbage, or toilet

paper. Due to the low stocks, some shops also had to impose a limit to which each customer could purchase, so others could also have the chance to buy some. However, retailers noted that in 2021 there has been a recovery and even though the pandemic is still in place, they are not struggling anymore to restock, and their products variety is slowly coming back to the standards prior to COVID-19.

57) There were no direct connections between the increase or decrease of quality of the goods offered and WFP support or the COVID-19 pandemic.

b) Causal links in connection with availability

58) As a measure of market functionality, availability is measured by the percentage of selected food basket that is in stock. Availability looks at the changes in the scarcity of certain products in the market or shop and in the fear of trader/retailer running out of stock.

59) WFP support had a clear impact on improving the stocking capacity of retailers, which also led to an improvement in the availability of goods. As previously explained, with WFP's partnership, retailers were able to increase not only their assortment, but also their restocking capacity to always keep products available ([Annex 1- Figure 2](#)).

c) Causal links in connection with price of products

60) As a measure of market functionality, price is measured by whether the Price of selected food basket in WFP contracted shops are aligned or lower than other stores in the same market (can be "WFP engaged shops" in an unrestricted cash environment). To assess WFP contribution to this dimension of market functionality, the evaluation assessed changes in the prices of certain products and how the retailers' prices compare to the rest of the market (is the price of that product fair or lower than the same product with other retailers?).

61) There was no indication that WFP support led to a direct or indirect change in the prices of products ([Annex 1- Figure 3](#)). Instead, the main indirect causal factor was COVID-19. Retailers said that during the pandemic, they experienced a steep increase with the suppliers' price, like never before. An interviewee explained that the pandemic affected the production of commodities (and likely the suppliers' profit), which led to a decrease on the number of foreign suppliers, as they could not afford to pay their employees.

62) As a result, retailers also had to increase the prices on their shelves so their businesses would

survive. The high on the prices, however, were not helped by the low demand for products, as a retailer explained: *"I had to also decreased the quantity that I buy. Twenty packets of 2.5kg of maize meal flour used to take three weeks to sell until the pandemic happened and it now takes over a month to sell because there are less customers and people want to buy in credit."*

d) Causal links in connection with resilience in the supply chain

63) As a measure of market functionality, resilience evaluates both responsiveness and vulnerability of supply chains. Resilient supply chains underpin the regular supply of a market with goods despite potential disruptions, which is essential to a well-functioning market. To evaluate WFP contribution to resilience of the supply chain, the evaluation assessed the changes in the retailers' abilities to meet demand, changes in the number of suppliers, changes in the access to smallholder farmers, wholesalers, or other actors within the value chain.

64) Despite COVID-19, the financial support provided by WFP led to growth on business performance, and increased income and capacity of retailers to stock, resulting in improved ability to meet the market demand ([Annex 1- Figure 4](#)). Since WFP's partnership, retailers said they were able to maintain a steady flow of stock and increase the capacity to meet the needs of beneficiaries. Hence, the improvement in their supply chain was also connected to the growth on their business. Retailers noted that they were not only able to maintain the products stocked on the shelves, but also managed to meet specific needs or requests that customers made. The quote below illustrates the changes:

65) *"What I usually do is, when people need a certain commodity, I am able to get it for them and put it on my shelves. But before 2019, I could not supply each and every one of my customers. After the 2019 WFP initiative, that was when I started to be able to deliver everything my customers need because my stock increased."*

e) Causal link in connection with infrastructure

66) As a measure of market functionality, infrastructure is measured by the type and condition of the physical structures which host shops in addition to, for example, sewage system, electricity or communication network. Adequate infrastructure contributes both to a well-functioning market and can

be interpreted as an indication for different aspects of market efficiency. To evaluate WFP contribution to improvements in infrastructure, the evaluation assessed changes in the state of infrastructure of shops (permanent vs semi-permanent structures or portable units, damages, electricity, water, open sewage/garbage). The retailers were asked whether there had been changes in the state of infrastructure of the shops over the last two years.

67) Positive changes in shop's infrastructure had a direct connection to WFP's partnership, as [Annex 1- Figure 5](#) shows. Retailers said that WFP funds boosted their financial situation. Partly, the extra income was reinvested into the store not only to expand stock and assortment, but also to improve shop's infrastructure by fixing wall or expanding. There were also reports of investment towards diversification of business, as retailers built rental rooms with part of the money to supplement income.

f) Causal link in connection with customer services

68) As a measure of market functionality, service is measured by the service provided while shopping as well as during check-out. The level of service is directly or indirectly associated with different features of a well-functioning market such as transparency, competition or reliability. To evaluate WFP contribution to this dimension, the evaluation assessed the changes in the shopping experience of customers including people receiving WFP assistance e.g., display, visible tags, number of forms of payments accepted and the waiting time.

69) The key factor that contributed to the improvement of customer service and experience was the facilitation of payment methods ([Annex 1- Figure 6](#)). Retailers said that since 2019 they have introduced new forms of payment, such as M-pesa or Vodacom, for customers who did not carry money. With those, customers can simply transfer the money online to make the payment, which is also a safer option for both retailers and customers, as they avoid having their money taken from them in robberies. Faster payment has also reduced cashier lines and improved customer experience.

70) Some retailers also created a credit line for loyal customers, allowing them to take the items needed and paying in the end of the month. This was a particularly important strategy during the peak of the pandemic, when a large number of people were struggling to pay

for their needs. Some retailers said that customers with a shop account are allowed to pay whenever they have the money. Building trust seemed to be a key component to improve access to credit, however, good communication also played a key role to keep customers satisfied. A retailer explained that he developed a strong connection with its customers, in which they feel comfortable enough to request special items.

71) Even though WFP's partnership was not directly linked to enhanced customer services, there are some indications that the resilience retailers built due to WFP funds and improved income enabled retailers to bear the costs of not realizing the profits of their sales instantly. Instead, with a better financial situation, monetary reserves and stability they were able to create the credit lines for the customers, and only be paid at a later stage. Similarly, it was previously demonstrated in the report that due to WFP activities, retailers were able to expand their stock variety, including special request from customers.

72) Retailers also improved the experience for people with disabilities (PWDs) through infrastructure refinement or delivery solutions. Retailers said that once they built a pathway for PWDs, more people started to come to their stores. One of the retailers shared an interesting experience: *"He [a customer who used a wheelchair] always kept telling me that he would never come to my shop because my stairs are not conducive for him. I built a pathway for him only to find that it was also beneficial for other customers as well with the same problem."*

73) Another interesting solution found was offering delivery services over the phone to not only PWD, but also to pregnant and lactating women (PLW) and elderly. Retailers said that they wanted to make sure the most vulnerable would also be assisted, thus they gave them their phone numbers, so they can call whenever they are in need of an item. Again, fostering good communication and relationship with customers were key to improve customer experience.

g) Causal link in connection with competition

74) As a measure of market functionality, competition evaluates if the number of traders in the market and the distribution of power among them guarantee a reasonable level of competition. Competition is critical to a well-functioning market since it forces retailers to improve their efficiency and pushes prices down to the benefit of the end consumer. To

evaluate WFP contribution to competition, the evaluation assessed the changes in the number of traders /retailers that control the market.

75) The increase in competition was a negative indirect effect of COVID-19 (Annex 1- Figure 7). As previously explained in the report, the restrictions imposed by the pandemic and the reduction on production led to an increase of the suppliers' prices, which also increased the prices on the final end with the retailers. With the high prices and lock-down restrictions, products' demand decreased significantly, but and retailers struggled with the wide competition.

76) Shop owners explained that there is a lot of competition in the retail business in Lesotho. It was said that due to the low entry barrier, it is easy to establish a shop. According to reports, a retailers' license can easily be acquired, and many see this as an income opportunity due to the high unemployment rate in the country. Hence, competition has only grown in the past years.

77) Interviewees also noted that due to the low entry barrier, who controls the market are foreigners (mainly the Chinese and Indians) that own big shops. They have the financial capacity to get established on their own and even own more than one store.

h) Causal link in connection with access and protection

78) As a dimension of market functionality, access and protection measures to a large degree market functioning for certain groups of people (both customers and traders) or for everyone. These functionality lapses can be short-lived or prolonged. In the latter case, normally markets adapt to the new circumstances and manage to operate, even though with large degrees of inefficiency. To evaluate WFP contribution to improved access and protection, the evaluation assessed changes in access and protection for consumers (shop's connectivity to main roads, changes in security threats near and around shop for certain groups, social barriers and physical threats for certain groups). The retailers were asked on how access and protection had changed over the last two years.

79) WFP was an important causal factor for the improvement of security (Annex 1- Figure 8). As already discussed, WFP payments to retailers enabled them to invest in their shops' infrastructure. However, the cash injection enabled traders to invest beyond stores repairs and expansion.

80) Retailers explained that before the partnership with WFP, there were robbery incidents in their shops, although it did not concern them too much, as they did not have a lot of stock to lose nor the means to improve security. However, after started working with WFP they said they have a lot to lose, since they expanded their stocks considerably. Because of that, they decided to invest in security to prevent burglaries. Based on that, retailers reported having installed security cameras, burglars proof doors, gates, and fences. There were also reports of security guards being hired. With the considerable improvements, it was said that the security situation of the shops improved and there were few to no cases of robberies.

Box 2: Retailers' perceptions on their business growth and its relation to WFP

"I think the main reason for this improvement is the fact that WFP was able to assist with money which some of us as retailers in this area managed to improve businesses. For instance, I also bought a car that now works for this shop and aids me in transporting stock at shorter times than when I used to hire cars and used to use public transport."

"I was able to work with WFP and the money I got from them helped boost my business. I was also able to do some renovations at home."

"I have been blessed to have worked with WFP which gave me the financial muscle to improve the shop. My family has been safe and well throughout the pandemic. All in all, I'm very hopeful about the future."

81) The facilitation of payment methods also brought more safety to customers and retailers. Customers became less exposed to being robbed of their money on their way to the shops, as there is no longer the necessity to carry cash. On the other hand, with the money transfers, retailers keep less money in the stores, which minimize their losses in case of an attack.

3.2. Perceptions of how the overall business has changed over the past three years

82) Retailers consulted provided their perceptions on how their business had changed over the past three years in terms of increased growth and income (box 2). In table 4, the robustness of causal links (68 in total) between WFP financial support and growth in business and performance indicates that the cash injected into

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the economy by the organization directly led to the development of retailers' businesses. Likewise, the robustness of the connection between WFP financial support and retailer income is as strong, with 67

statements. The same trend is visible in the causal map (Annex 1- Figure 9), in which WFP support is directly linked to growth in businesses and improved retailer income.

Table 4: Table 4: Robustness test on how overall business changed

Robustness test	Org X financial support ³⁵	Cash injection into the local economy [E] ³⁶
Growth in business and performance	68	54
Sales	37	39
Income	67	53

Source: Key informant interviews with retailers

83) Retailers said that WFP payments brought monetary security to them, which enabled them to reinvest and boost their businesses. With the money, they improved their shops' infrastructures and the quality of services provided, which also enhanced customer experience. In addition, they expanded their stocks, both in quantity and variety of products offered. It was said that the enhanced financial situation also improved their household's well-being.

3.3. Reported changes in business growth, performance and income

84) WFP financial support had a direct connection to growth in business and performance. As previously discussed, it also positively changed retailers' shop infrastructure and increased retailers' stock capacity and income which also resulted into the development of their business. Income increase is reported, however, as a cause and an effect of business growth (Annex 1- Figure 10). Even though all retailers engaged with WFP acknowledged that the partnership led to growth of their businesses, they did not quantify it. Instead, they gave examples of what they did with the incoming money, which also spilled over to household wellbeing, as an interviewee noted: *"The money we claimed came in huge amounts which helped us to improve our shops by putting in more stock, paying off some of our debts and*

bills, finishing our building projects and paying school fees for our children."

85) However, competition is a factor that hindered business development. Retailers explained that it is difficult to compete with bigger shops, as they are able to sell their products for cheaper prices, because they buy in larger quantities. As a result, some customers might even relocate or stop purchasing from the smaller shops, seeking for better prices. The fact that the sector's barriers to entry are low does not help matters, because more large retailers, largely foreigners, enter the market each year.

4. Sustainability

Question 4: Are the results of WFP contribution sustainable i.e., continuing, or likely to continue after the interventions of WFP?

4.1. Sustainability of MDAs results after the end of external assistance

86) Project staff believed that there is high potential for the activities to continue after WFP is removed from the equation. For example, it was said that even though WFP has ended the response in the southern districts, retailers have continued to buy from the mills as groups, which were formed under WFP intervention.

³⁵ This entails on the payments retailers received from WFP for being engaged with MDAs and providing beneficiaries with food.

³⁶ This represents WFPs direct cash injection in the economy through CBTs for the beneficiaries, for example.

Moreover, it was reported that retailers have expanded their buying clubs targeting other commodities that were not included during WFP operations.

87) However, to ensure full continuation of the activities, one of the project staff highlighted that the government also must be on board and willing to continue the work. There is an indication that the political conditions within the country are determinant to the sustainability of the MDAs, as it was the most mentioned external factor that could negatively affect the activity. The interviewee explained that it is uncertain if there will be a continuation, mainly after the elections, as the new government may opt not to maintain the project. Some farmer associations and bank stakeholders expressed similar concerns, saying that the government will not be able to continue procuring their products.

88) Nevertheless, a representative from the current government said that they will continue with the activities regardless of WFP support, including the retailer training activities.

89) One of the farmer associations also mentioned climate change as one of the external factor that could hinder the sustainability of the project. Internal production can easily be affected by harsh weather conditions and the government does not offer a safety net for smallholder farmers to rely on.

7. Conclusions

90) The use of WFP multi-sectoral assessments in the design of MDAs in Lesotho was varied. Process monitoring reports in Lesotho provide recommendations that are not elaborate enough to provide clarity on where responsibilities lie for addressing the challenges identified. In addition, there are no explicit recommendations on supporting retailers but are mainly beneficiary focused.

91) Linking retailers with banks promoted financial inclusion, making it easier for retailers to access credit. In addition, WFP trained the retailers on bulk buying, thereby reducing the unit cost of the commodities. Evidence from retailer performance reports and process monitoring reports indicates significant achievements in terms of faster turnover of stock, more clients for retailers and increased profits between March 2020 and April 2021. The same reports noted issues around delayed payments and high prices due to supply challenges experienced between October 2020 and November 2020.

92) In several instances there is evidence to show that some of the benefits of MDAs are, or will be, sustainable beyond WFP assistance, such as the linking of retailers to millers and retailers' buying club.

8. Lessons learned

93) As observed in Lesotho, **working on both the supply side (smallholder farmer support) and the demand side (retailers) in a more holistic and coordinated approach, is likely to have a greater impact on market development.**

94) One of the weaknesses of the MDAs raised by project staff was the poor coordination between the organization and the government. As explained previously, **government engagement is crucial for long-term sustainability of the project.** The staff suggested that there should be frequent meetings between both stakeholders and a stronger commitment from the government side. The Ministry of Agriculture representative was in line with the suggestion by WFP staff, and he acknowledged that the government should interact more often with WFP in order to learn with them and maintain the project.

95) WFP staff also expressed concern about the lack of documentation concerning MDAs to facilitate monitoring and evaluation (M&E) of the activities. It was also noticed that MDAs lacked a core plan. The farmers' association said that **there should be community consultation prior to the commencement of the activities**, in which WFP explains to the stakeholders (retailers and farmers) the budget available for the project and its duration. A contract was also requested to establish a formal linkage to the partnership. WFP staff acknowledged that one of the lessons learned is that **there must be better mobilization and engagement with retailer actors in upcoming MDAs projects**, as some of them were reluctant to join the buying clubs. To achieve better participation rate, WFP needs to build trust with those actors before the implementation of the activities.

96) One of the farmers associations noted that **WFP has been paying different prices for the same products from different farmers associations within the same district, which was not perceived as fair.** It was suggested for WFP to hold a meeting for all the associations involved in the project to discuss product prices and create a single rate for them. This would avoid the localization of prices and all farmers would be paid uniformly.

97) Bank actors noted that **the current method utilized for paying beneficiaries is not practical, as most of them have to walk long distances to reach the bank.** Given beneficiaries' struggle to access their money, the Bank recommended that WFP should consider new payment solutions,³⁷ such as digital payments. This way beneficiaries would be paid directly and they would not need to go to the bank on a specific day or as frequently. Beneficiaries would be able to travel to the shops instead of the bank after they have received the voucher confirmation through SMS.

9. Recommendations

98) Based on the evidence presented, WFP has had a great effect on improving retailers' businesses and their financial security. Hence, **WFP must continue engaging with retailers in future MDAs, as it has proven to be a good model to support business development and build resilience to a certain extent.**

99) Despite the benefits brought by the MDAs, the project can still improve. Based on feedback given by several stakeholders, **WFP must engage more actively with the government to ensure the continuation of activities after the organization's funding is cut.** More coordination with the government, training, and frequent meetings could be used to consolidate the activities and assure its continuity. However, it is important to note that political instability in Lesotho could jeopardize the sustainability of the results, particularly if there is a change of Government.

100) The short-term nature of WFP funding was also mentioned as an internal factor that does not favour sustainability or long-term results. **When possible, the organization must advocate with donors longer multi-year funding, so a more self-sustaining environment is developed.** In addition to that, WFP must implement formal contracts for the retailers and farmers involved in the MDAs, so they know what to expect and they can plan in advance for when WFP leave or for how long they must increase production or stocks.

101) Hence, **WFP must improve the pre-implementation stage with better mobilization of and engagement with retailers to build trust and guarantee their adherence to the project.** During the mobilization retailers must be informed about the conditions for the project, such as duration, funding, benefits and responsibilities. In addition, **to strengthen the M&E of MDAs, and enhance results measurement, there must be more documentation of the activities' progress.**

102) To improve beneficiaries experience when receiving their financial assistance, **WFP should consider utilizing digital payment solutions, already offered by partner bank institutions.** According to bank stakeholders this would facilitate the cash transfer process and would lift the commuting burden from the beneficiaries' side, who often must walk long distances to reach the bank.

Reference:

Full and summary reports of the evaluation and the Management Response are available at

<http://www1.wfp.org/independent-evaluation>

For more information, please contact the Office of Evaluation wfp.decentralizedevaluation@wfp.org

³⁷ The payment solution offered by the bank is called Unayo.

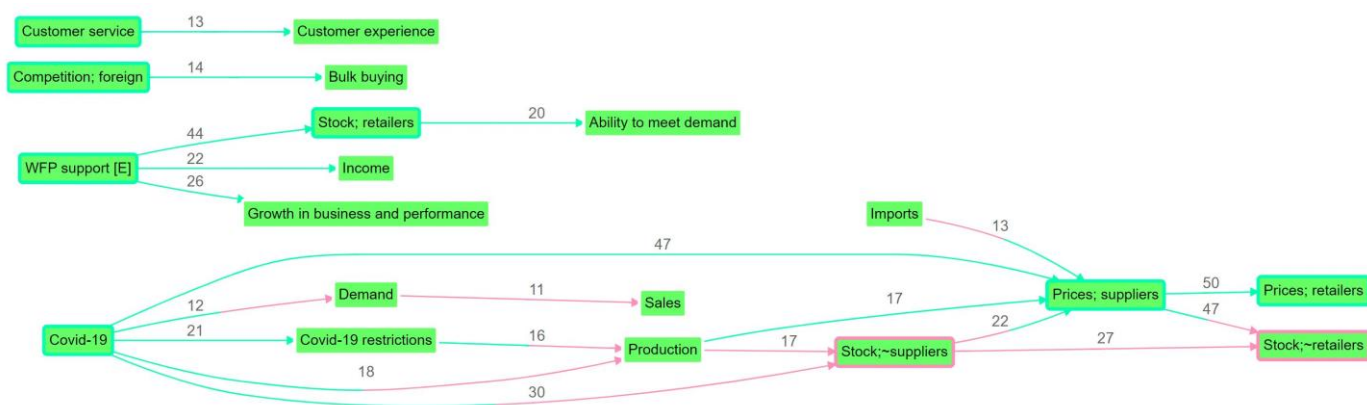
Annex 1. Factors associated with cause and effect and causal maps

Table 5: Top 15 factors that led to change in retailers' businesses

Factor frequencies			
Showing numbers of links from and to each factor; factors are listed with most frequent first.			
factor	from	to	total
COVID-19	311	0	311
Prices; suppliers	133	150	283
Stock; suppliers	70	91	161
WFP support [E]	123	28	151
Stock; retailers	57	88	145
Growth in business and performance	41	84	125
Stock; retailers	23	88	111
Retailer income	24	86	110
Customer experience	9	96	105
Infrastructure	57	45	102
Customer services	37	63	100
Ability to meet demand	9	89	98
Prices; retailers	23	71	94
Cash injection into the local economy [E]	91	0	91
COVID-19 restrictions	64	24	88

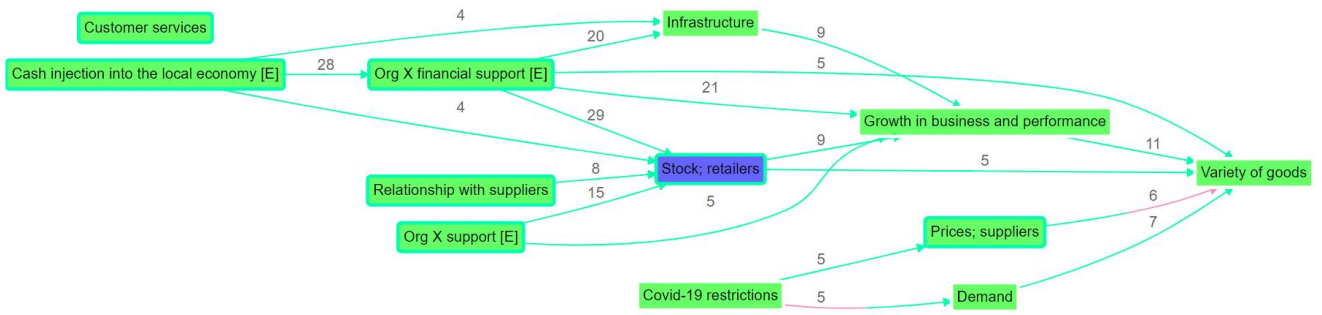
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 1: Causal links in connection with assortment and quality



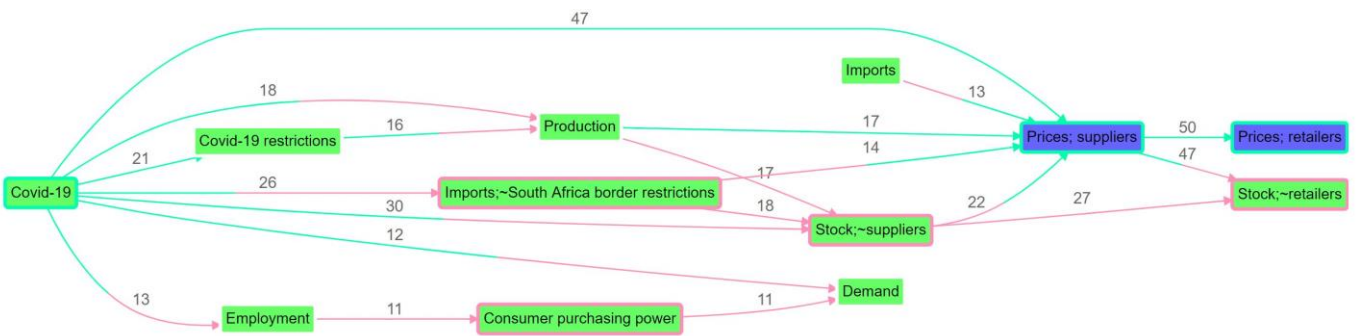
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 2: Causal links in connection with availability



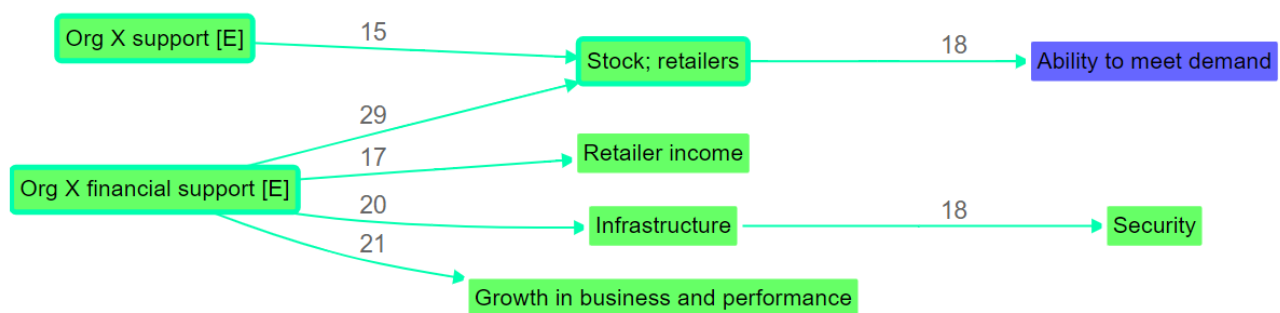
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 3: Causal links in connection with prices of products



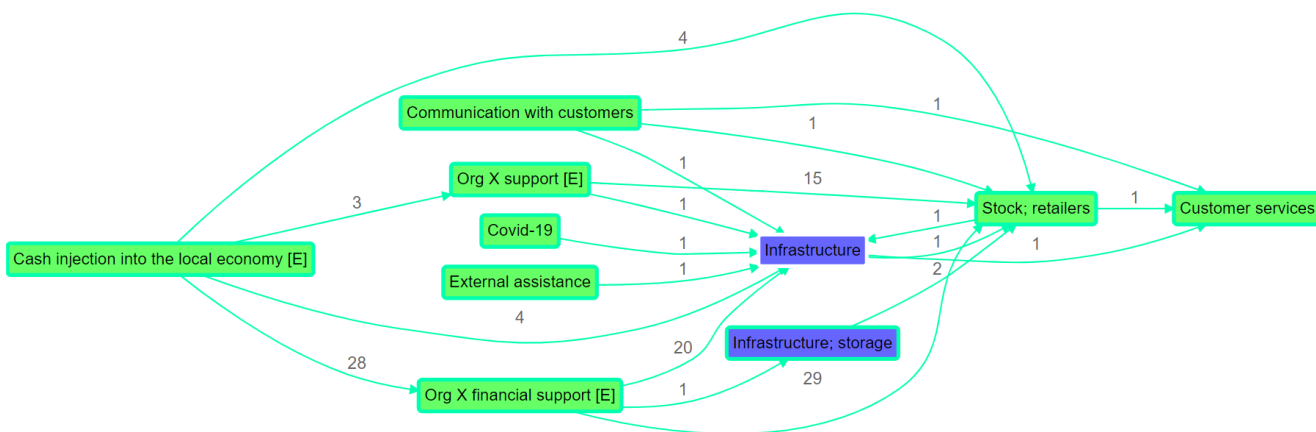
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 4: Causal links in connection with resilience in the supply chain



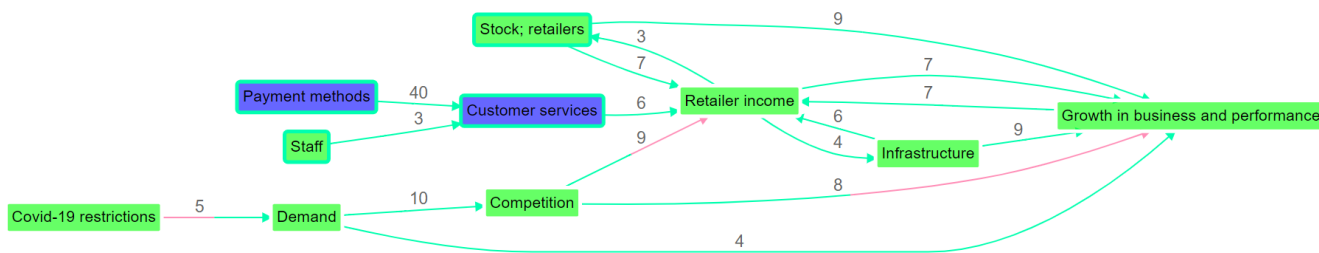
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 5: Causal links in connection with infrastructure



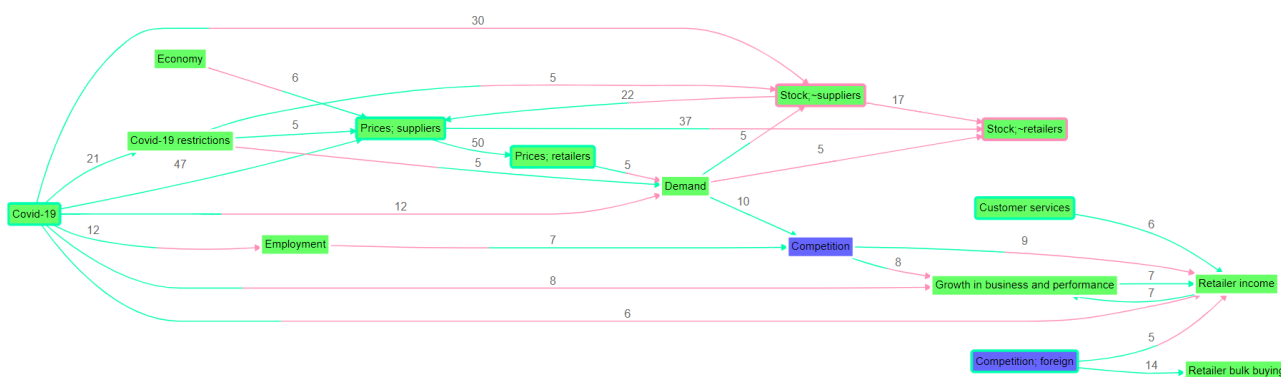
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 6: Causal links in connection with customer services



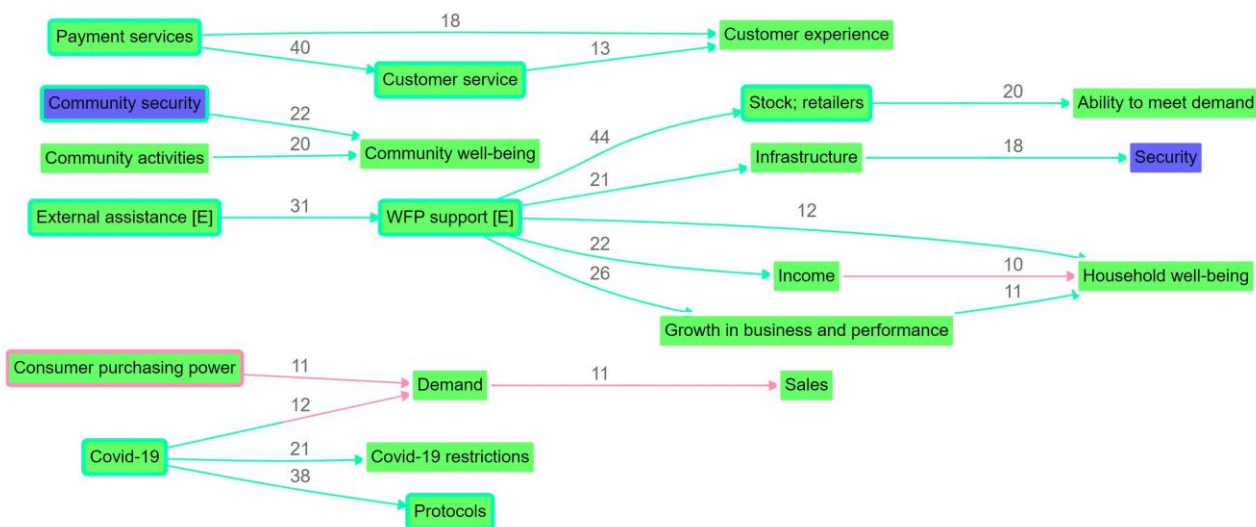
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 7: Causal links in connection with competition



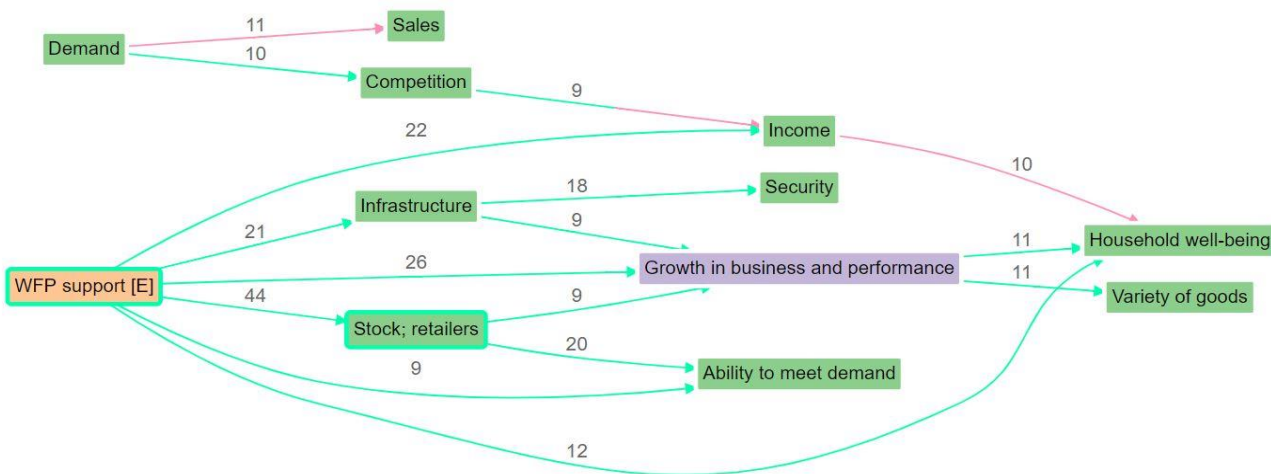
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 8: Causal links in connection with access and protection



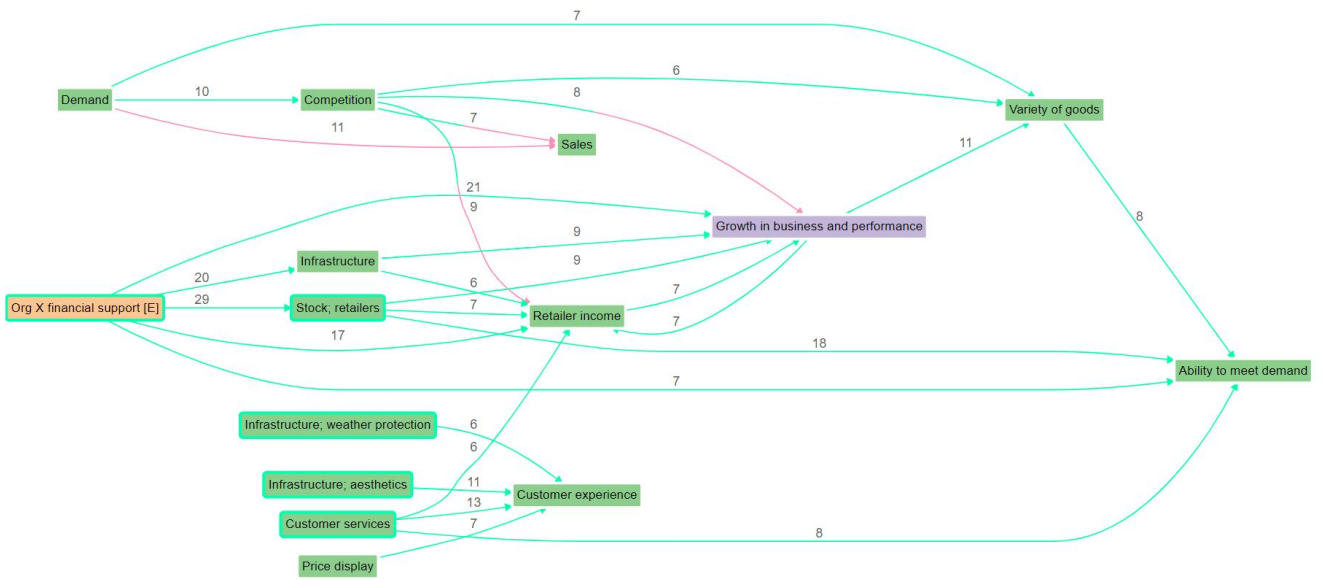
Source: Key informant interviews and Focus Group Discussions with retailers

Figure 9: Links on perceptions of how the overall business has changed over the last three years



Source: Key informant interviews and Focus Group Discussions with retailers

Figure 10: Links on reported changes on business growth, performance and income



Source: Key informant interviews and Focus Group Discussions with retailers

Annex 2. List of stakeholders consulted

S/No.	Gender	Designation	Organisation
1.	F	Senior Programme Associate (Smallholders Agriculture and Market Support)	WFP
2.	F	Supply Chain Officer	WFP
3.	M	Managing Director	RSDA
4.	M	Field Supervisor	RSDA
5.	M	Head of Transactional Products and Services (Corporate and Investment in E-banking)	Bank
6.	F	Marketing Manager	MG Commodities, Maseru.
7.	M	Chairman	Association Tlemo Moho - Leribe
8.	F	Secretary general of the Association	Association Tlemo Moho - Leribe
9.	F	Member	Association Tlemo Moho - Leribe
10.	F	Relationships Manager	Maseru Post Bank
11.	M	Chief Executive Officer	Lesotho Flour Mills Ltd
12.	M	Sales & Marketing Executive	Lesotho Flour Mills Ltd
13.	M	Vice-chairman	Leribe Tractor Association
14.	F	Public Relations Officer	Leribe Tractor Association
15.	M	General Secretary	Leribe Tractor Association
16.	M	Member	Leribe Tractor Association
17.	M	Marketing Officer in Department of Marketing	Ministry of Agriculture and Small Business
QuIP- KIIs with Retailers			
District	Retailers interviewed	Gender	Location
Mafeteng	1.	F	Mafeteng/Ha Ramohapi
	2.	F	Mafeteng/Ha Ramohapi
	3.	F	Mafeteng/Mokhoabong
	4.	M	Mafeteng/Thabana Morena
	5.	F	Mafeteng/Mapotu
	6.	M	Mafeteng/Samaria
	7.	4 Men, 2 Women	Mafeteng
Qachas	8.	F	Qachas Nek, Ha Matlali. Lesotho
	9.	F	Qachasnek, Mokhoabong. Lesotho
	10.	F	Qachas'nek, Moeeng, Lesotho
	11.	M	Qachasnek, Tebellong, Lesotho
	12.	F	Qachasnek, Thueleng, Lesotho
	13.	F	Qachasnek, Ramokakatlela, Lesotho
	14.	3 Men, 3 Women	Qachasnek, Lesotho
Quthing	15.	M	Quthing, Lesotho

	16.	F	Quthing, Lesotho
	17.	F	Quthing, Lesotho
	18.	M	Quthing, Lesotho
	19.	M	Quthing, Lesotho
	20.	M	Quthing, Lesotho
	21.	3 Men, 2 Women	Quthing, Lesotho
Thaba Tseka	22.	M	Thaba Tseka/ Matsumunyane, Lesotho
	23.	M	Thaba Tseka/ Pont'seng, Lesotho
	24.	M	Thaba Tseka/ Mant'sonyane, Lesotho
	25.	M	Thabatseka_Mant'sonyane, Lesotho
	26.	M	Thabatseka_Kolberg, Lesotho
	27.	M	Thaba-Tseka_Mashai, Lesotho
	28.	4 Women, 2 Men	Thaba Tseka, Lesotho

Annex 3. List of Acronyms

ACR	Annual Country Report
CBT	Cash based transfers
CO	Country Office
COVID-19	Corona Virus Disease 2019
CM	Causal Maps
CSP	Country Strategic Plan
CSV	Comma-separated values
ET	Evaluation Team
FFA	Food Assistance for Assets
FGD	Focus Group Discussion
HQ	Headquarters
KII	Key Informant Interviews
KPI	Key Performance Indicator
LFM	Lesotho Flour Mills
LVAC	Lesotho Vulnerability Assessment Committee
LPB	Lesotho Post Bank
MDA	Market Development Activities
MFI	Market Functionality Index
MSME	Micro, small and medium enterprises
Mt	Metric tons
NGO	Non-Governmental Organization
NSDP	National Strategic Development Plan
P4P	Purchase for Progress
PLW	Pregnant and Lactating Women
PWD	People with disabilities
QuIP	Qualitative Impact Assessment Protocol
RB	Regional Bureau
RBJ	Regional Bureau for Southern Africa
WFP	World Food Programme