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Investir dans les populations rurales

Royaume d'Eswatini

Programme d'options stratégiques pour le pays

2022-2027

Note à l'intention des représentants au Conseil d'administration

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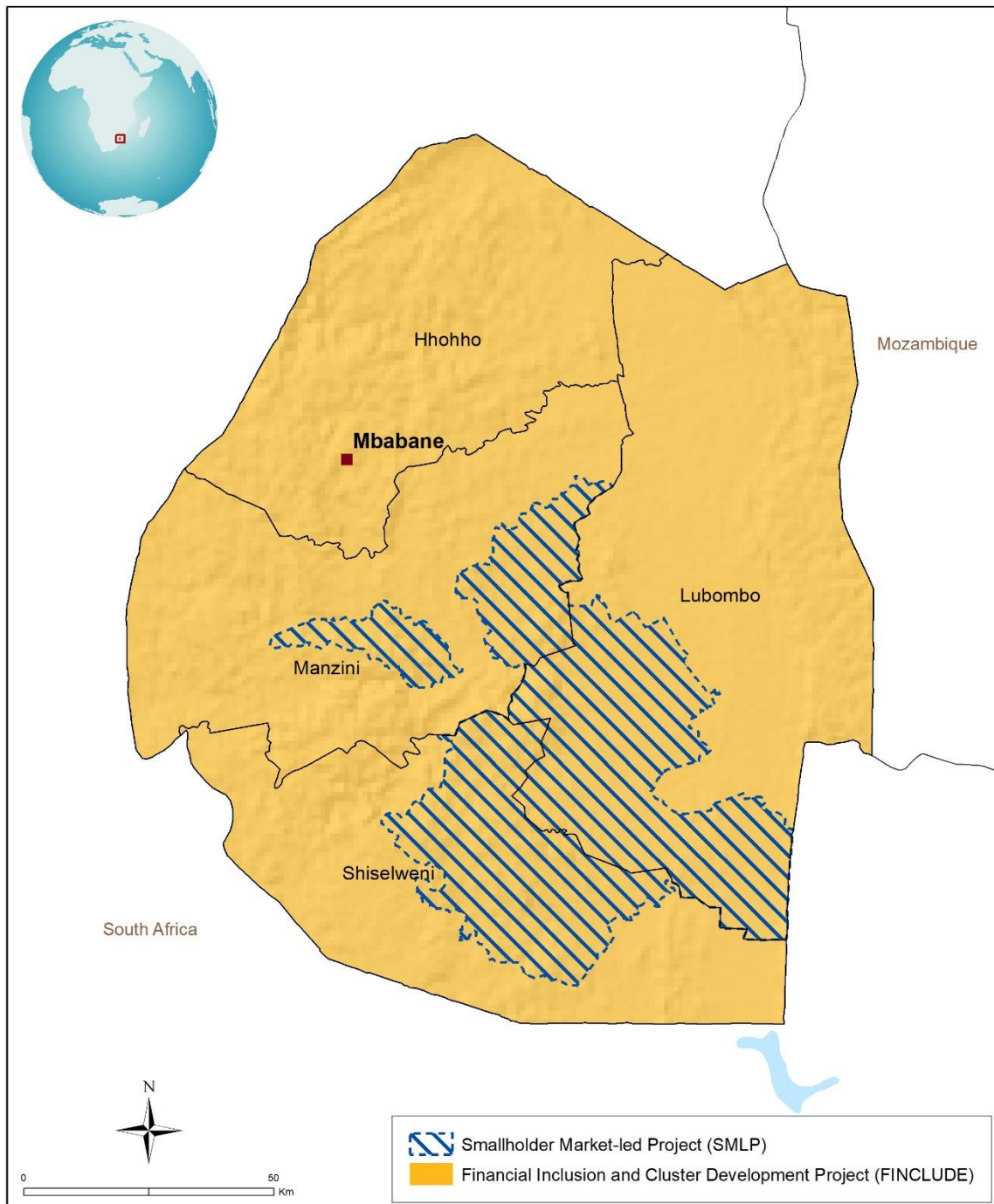
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Sigles et acronymes

COSOP	programme d'options stratégiques pour le pays
ESPP	évaluation de la stratégie et du programme de pays
FIDA12	Douzième reconstitution des ressources du FIDA
IOE	Bureau indépendant de l'évaluation du FIDA
PESEC	Procédures d'évaluation sociale, environnementale et climatique
PIB	produit intérieur brut
PNUD	Programme des Nations Unies pour le développement

Carte des zones d'intervention du FIDA dans le pays



Source: 02/12/2021

Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Résumé

1. Le FIDA entretient un partenariat solide avec le Royaume d'Eswatini depuis le début de leurs rapports en 1985. Le présent programme d'options stratégiques pour le pays (COSOP) 2022-2027 s'appuie sur ce partenariat et définit la stratégie par laquelle le FIDA entend contribuer à la réalisation de l'objectif du Gouvernement swazi, à savoir l'amélioration de la productivité agricole et l'éradication de la pauvreté rurale.
2. Malgré des progrès dans le domaine de la réduction de la pauvreté, le taux de croissance économique de l'Eswatini a diminué au cours de la dernière décennie, passant de 5,7% en 2012 à 2,2% en 2019¹. L'accroissement des déficits budgétaires, les effets de la sécheresse qui a frappé le pays entre 2015 et 2016 et la suspension entre 2015 et 2017 de l'admissibilité de l'Eswatini au bénéfice de la loi des États-Unis sur la croissance et les perspectives économiques de l'Afrique et de l'Association européenne de libre-échange ont contribué à la stagnation de la croissance du pays. Cette situation a été aggravée par la pandémie de COVID-19, qui a entraîné une baisse de 2,6% du produit intérieur brut (PIB) par habitant en 2020², une croissance en berne étant également attendue en 2021.
3. Les moyens d'existence d'environ 75% de la population de l'Eswatini reposent sur l'agriculture, qui fournit par ailleurs des matières premières aux industries de transformation des produits agricoles et de fabrication. Le potentiel du secteur agricole du point de vue des exportations, de la substitution des importations, de l'emploi et de la diversification de la production se heurte à plusieurs contraintes. Ainsi des menaces liées aux changements climatiques et de la dégradation de l'environnement, de la faible capacité productive, de l'accès inadéquat aux financements, de l'accès limité aux marchés et de la faiblesse des chaînes de valeur.
4. La théorie du changement du présent COSOP repose sur l'idée que la réduction de la pauvreté rurale en Eswatini passera par l'appui aux ménages possédant peu de ressources pour leur permettre de développer des activités génératrices de revenus rentables et durables. Elle prévoit la transition des petits exploitants pratiquant une agriculture de subsistance vers une agriculture à vocation commerciale et le développement d'entreprises rurales non agricoles. Cela nécessitera une combinaison d'interventions adaptées aux conditions, besoins et intérêts des différents segments de la population et en particulier des jeunes.
5. De par son engagement à venir à bout de la pauvreté rurale, le présent COSOP est conforme à la Stratégie nationale de développement de l'Eswatini et à sa Vision pour 2022 ainsi qu'à d'autres politiques sectorielles essentielles.
6. Le présent COSOP vise à réduire la pauvreté en milieu rural et à améliorer les systèmes durables d'alimentation et de nutrition par l'entremise d'une commercialisation agricole inclusive et résiliente ainsi que de possibilités complémentaires de génération de revenus en dehors des exploitations. Cette ambition s'appuie sur deux objectifs stratégiques:
 - i) **Objectif stratégique n° 1:** Améliorer les systèmes alimentaires par le renforcement de la productivité résiliente aux aléas climatiques ainsi que de la sécurité alimentaire et de la santé nutritionnelle au profit des petits exploitants agricoles possédant peu de ressources.

¹ Banque mondiale. « Croissance du PIB (% annuel) – Eswatini », 2021.
<https://donnees.banquemondiale.org/indicateur/NY.GDP.MKTP.Kd.zg?locations=SZ>.

² *Ibid.*

- ii) **Objectif stratégique n° 2:** Renforcer la commercialisation de la production paysanne par l'entremise d'un appui en matière d'actifs et de renforcement des capacités afin de faciliter la transition des petits exploitants vers des entreprises agricoles ayant des activités hors exploitation.
7. L'éventail d'interventions, qui doivent être exécutées principalement au cours des cycles de financement des Douzième et Treizième reconstitutions des ressources du FIDA (FIDA12 et FIDA13), inclura des projets d'investissement rural financés par des prêts, des dons destinés au renforcement des capacités ainsi qu'un appui à l'élaboration des politiques et à la coopération Sud-Sud et triangulaire.

Royaume d'Eswatini

Programme d'options stratégiques pour le pays

I. Contexte du pays et programme relatif au secteur rural – principales difficultés et perspectives

1. **Contexte politique.** Le Royaume d'Eswatini, indépendant depuis 1968, est la seule monarchie absolue d'Afrique. Le souverain actuel, Sa Majesté le Roi Mswati III, nomme les ministres et une partie des membres du Parlement. En 2021, l'Eswatini a connu des périodes d'instabilité politique à la suite de manifestations en faveur de la démocratie et de troubles civils³, ce qui a généré un climat d'investissement incertain. Le chômage et le sous-emploi des jeunes et le manque de possibilités d'emplois décents, à quoi sont venus s'ajouter les effets de la pandémie de COVID-19, sont les principales causes de l'instabilité sociale.
2. L'Eswatini est un pays enclavé de 17 363 kilomètres carrés voisin de l'Afrique du Sud et du Mozambique. Sa stabilité macroéconomique est influencée par les tendances économiques observées en Afrique du Sud et les fonds qu'il perçoit chaque année de l'Union douanière d'Afrique australe, en recul depuis quelques années.
3. **Développement économique.** La transformation structurelle de l'environnement macroéconomique de l'Eswatini a été lente au cours des dernières années, et la diversification limitée au-delà des secteurs de la fabrication et des services, qui comptent respectivement pour 36% et 52% du PIB. Au cours de la dernière décennie, la croissance économique de l'Eswatini a diminué, passant de 5,7% en 2012 à 2,2% en 2019⁴. En outre, des ajustements budgétaires s'imposent compte tenu du creusement des déficits budgétaires. Les effets de la sécheresse qui a sévi entre 2015 et 2016 et la suspension de l'admissibilité de l'Eswatini au bénéfice de la loi des États-Unis sur la croissance et les perspectives économiques de l'Afrique entre 2015 et 2017 et de l'Association européenne de libre-échange ont contribué à la stagnation de l'économie, au même titre que les préoccupations concernant les droits des travailleurs et travailleuses et l'épidémie de fièvre aphteuse qui a touché le pays.
4. **COVID-19.** La COVID-19 a exacerbé les tendances économiques à la baisse. Les mesures de quarantaine et la fermeture des frontières avec l'Afrique du Sud ont accentué la chute du taux de croissance du PIB, qui est passé de 2,2% en 2019 à -1,6% en 2020. Selon les estimations, 65 800 personnes supplémentaires sont passées sous le seuil de pauvreté, et plus de 8 400 personnes ont été licenciées en raison de la pandémie en 2020⁵.
5. **Perspectives à moyen terme (appendice II).** Alors que les perspectives sont relativement positives et tablent sur une croissance du PIB réel de 1,5% en 2021, un niveau élevé d'incertitude et des risques de dégradation des conditions subsistent. Si les plans d'ajustement budgétaire à moyen terme ne sont pas exécutés, la dette publique augmentera encore et la stabilité macroéconomique sera en péril.
6. **Secteur agricole et économie rurale.** En 2020, l'agriculture comptait pour 9,1% du PIB de l'Eswatini, contre 10,1% en 2010⁶. En 2019, les produits agricoles représentaient 34% des exportations de l'Eswatini, et la majeure partie d'entre

³ Economist Intelligence Unit. « Eswatini », 2022. <https://country.eiu.com/eswatini>.

⁴ Banque mondiale (2021).

⁵ Programme des Nations Unies pour le développement (PNUD). *Rapid Socioeconomic Assessment of COVID-19 in Eswatini*, 2020.

⁶ Statista. *Swaziland: Distribution of gross domestic product across economic sectors from 2010 to 2020*, décembre 2021.

elles étaient destinées à l’Afrique du Sud (66%)⁷. Témoin du manque de diversité de la production agricole, 80% des revenus des exportations du secteur provenaient des cultures sucrières. Les produits agricoles représentaient 19,6% des importations de l’Eswatini, dont 73% provenaient de l’Afrique du Sud⁸.

7. L’agriculture contribue aux moyens d’existence d’environ 75% de la population de l’Eswatini, qui compte 1,6 million de personnes. Ce secteur pourrait faire l’objet d’un renforcement des activités de commercialisation, produire des cultures à forte valeur marchande (mini-légumes, pommes de terre, oignons, carottes, haricots de Lima et soja), augmenter les revenus et créer des emplois. Toutefois, il fait face à un certain nombre de défis, parmi lesquels la vulnérabilité élevée face aux changements climatiques (en particulier aux sécheresses), la faible productivité, le niveau élevé des pertes après récolte, le manque de capacités et l’accès limité des petits exploitants agricoles à des financements. La création d’emplois dans le secteur de la transformation des produits agricoles est également limitée par le faible niveau de la production, l’accès limité aux marchés et des chaînes de valeur faibles.
8. **Pauvreté.** Malgré des progrès dans le domaine de la réduction de la pauvreté⁹, l’Eswatini fait face à des niveaux élevés de chômage et d’inégalité¹⁰, près de 59% de la population vivant en dessous du seuil de pauvreté national, et 20% en dessous du seuil d’extrême pauvreté¹¹. L’incidence de la pauvreté est plus élevée en milieu rural, où 70% de la population vit sous le seuil de pauvreté¹². Les ménages dirigés par une femme, les jeunes, les personnes âgées, les personnes vivant avec le VIH ou le sida et les personnes handicapées sont les segments de la population les plus vulnérables et les plus durement touchés par la pauvreté.
9. **VIH/sida.** L’Eswatini possède la plus forte prévalence de personnes vivant avec le VIH au monde (27%). Bien que le taux annuel de nouvelles contaminations ait chuté de plus de 75% au cours des deux dernières décennies, on estime que le pays comptait 200 000 personnes vivant avec le VIH et qu’environ 35% des femmes âgées de 15 à 49 ans étaient séropositives en 2020¹³. Le nombre élevé de personnes vivant avec le VIH réduit la productivité du travail, augmente la vulnérabilité des ménages et accentue la pauvreté. Selon les estimations, autour de 53 000 enfants (de moins de 18 ans) ont perdu leurs parents des suites d’une contamination au VIH ou du sida.
10. **Changements climatiques.** L’Eswatini est particulièrement vulnérable aux effets des changements climatiques et à la variabilité des conditions climatiques, étant donné que 80% de la production agricole provient de cultures pluviales¹⁴. Des données historiques révèlent une augmentation de la moyenne des températures annuelles de 3 °C entre 1961 et 2000 dans toutes les zones agroécologiques, une nouvelle hausse comprise entre 1,5 °C et 2,5 °C attendue entre 2046 et 2065¹⁵, ainsi que des régimes pluviométriques moins prévisibles et des sécheresses et inondations de plus en plus fréquentes et sévères, autant de phénomènes qui auront des conséquences graves sur l’agriculture et la sécurité alimentaire.

⁷ Données de l’Organisation mondiale du commerce relatives au commerce de marchandises de l’Eswatini (2020).

⁸ *Ibid.*

⁹ Le taux de personnes vivant en dessous du seuil de pauvreté a diminué, passant de 69% en 2000 à 58,9% en 2016 (Banque mondiale, 2021).

¹⁰ Estimé à 51,4. Programme alimentaire mondial, *Eswatini Country Strategic Plan (2020-2025)*, 2020.

¹¹ Gouvernement swazi. *Swaziland Household Income and Expenditure Survey: Findings Report*, 2018.

¹² *Ibid.*

¹³ Programme commun des Nations Unies sur le VIH/sida. *Eswatini, Country Factsheet*, 2021.

¹⁴ Gouvernement swazi, Ministère du tourisme et de l’environnement. *National Climate Change Policy*, 2016.

¹⁵ Ministère du tourisme et de l’environnement. *Eswatini Green Climate Fund Country Programme*, 2021.

11. **Gestion des ressources naturelles.** Les ressources naturelles de l’Eswatini sont menacées par la surexploitation et des pratiques non durables d’utilisation des terres. La dégradation des terres entraîne une perte de productivité, de services écosystémiques et de revenus pour les communautés locales.
12. **Sécurité alimentaire et nutrition.** L’Eswatini est un pays à déficit vivrier et importateur net de denrées alimentaires. L’insécurité alimentaire modérée et grave touche respectivement 63% et 30% de la population, tandis que 16% des Swazis sont en situation d’insécurité alimentaire chronique¹⁶. Dans l’indice de la faim dans le monde 2020, l’Eswatini se classait en 74^e position sur 107 pays, avec un score de 20,3¹⁷, ce qui indique que le niveau de faim dans le pays est préoccupant. L’Eswatini souffre d’un double fardeau: la malnutrition (23,6% des enfants de moins de 5 ans connaissent un retard de croissance) et l’obésité (26,2% des femmes adultes sont obèses)¹⁸.
13. **Jeunes.** Les jeunes âgés de 15 à 35 ans représentent environ 30% de la population¹⁹, et 73% des jeunes vivent en milieu rural²⁰. Ce segment de la population a un accès limité à la terre, au crédit, aux intrants et aux réseaux professionnels, entre autres obstacles à l’emploi. Alors que le travail des enfants est une pratique répandue²¹, plus de 45% des jeunes sont au chômage et ont des perspectives réduites de trouver un emploi pérenne.
14. **Femmes.** Malgré des progrès reconnus dans le domaine de l’égalité femmes-hommes, la plupart des femmes vivant en milieu rural rencontrent toujours des difficultés pour accéder à des terres, à des services financiers, à des services de vulgarisation et aux marchés. Les femmes ont un taux de participation à la population active plus faible²², sont sujettes à des rapports sociaux patriarcaux, à des violences fondées sur le genre et à des normes genrées inégalitaires et sont plus durement touchées par les chocs et la faim²³.

II. Contexte institutionnel et cadre de l’action publique

15. Le Gouvernement du Royaume d’Eswatini met l’accent sur le développement de l’agriculture à vocation commerciale par le regroupement de petits producteurs en s’appuyant sur de grandes entreprises agricoles commerciales. Cette approche vise à faciliter l’accès à un appui pouvant prendre la forme de financements, d’intrants et de services de vulgarisation, tout en générant des économies d’échelle dans la production agricole destinée au marché intérieur et à l’exportation.
16. Le Gouvernement swazi dispose d’un éventail de plans stratégiques en la matière, tels que le Plan national de développement (2018/2019-2022/2023) et le Plan stratégique pour l’agriculture (2018-2023), ce qui montre l’importance de l’agriculture. Ces plans soulignent la nécessité d’augmenter la production agricole et de renforcer la commercialisation des produits et la création de valeur dans le secteur agricole afin d’améliorer la sécurité alimentaire et nutritionnelle. Toutefois, les régimes fonciers ont des effets négatifs sur la capacité des agriculteurs à emprunter, à développer leurs activités et à administrer des terres et limitent l’accès des femmes et des jeunes à la terre, ce qui entrave leur contribution à la production agricole commerciale.

¹⁶ PNUD (2020). Indice de la faim dans le monde 2021: Eswatini. <https://www.globalhungerindex.org/eswatini.html>.

¹⁷ *Ibid.*

¹⁸ Rapport sur la nutrition mondiale, « *Country Nutrition Profiles: Eswatini* », 2020.

¹⁹ Ministère des sports, de la culture et de la jeunesse. *Eswatini National Youth Policy 2020*, 2020.

²⁰ Macrotrends. « *Eswatini Youth Unemployment Rate 1991-2021* », 2021.

<https://www.macrotrends.net/countries/SWZ/eswatini/youth-unemployment-rate>.

²¹ *Social, Environmental and Climate Assessment Procedures – background study*, appendice IV, par. 19.

²² Le pays a obtenu un score de 0,567 selon l’indice d’inégalité de genre 2019, se classant 143^e sur 162 pays (indice d’inégalité de genre du PNUD, 2020). <https://hdr.undp.org/en/content/gender-inequality-index-gii>.

²³ Comité d’évaluation de la vulnérabilité du Royaume d’Eswatini. *Annual Vulnerability Assessment and Analysis Report*, 2019.

17. La Feuille de route stratégique de l’Eswatini (2019-2022) présente une action à moyen et long terme visant spécifiquement à stimuler la substitution des importations et les exportations de produits agricoles²⁴. Cela étant dit, il est nécessaire de combler les lacunes en matière de renforcement des capacités afin que les producteurs favorisent l’augmentation des exportations et la substitution des importations. La substitution des importations et la stimulation des exportations exigeront une amélioration de la production et des chaînes d’approvisionnement nationales.
18. La Stratégie nationale d’inclusion financière (2017-2022) fournit un cadre d’action pour le renforcement de l’inclusion financière dans le secteur agricole et la commercialisation de la production paysanne. Toutefois, la prestation de services financiers inclusifs et adaptés aux entreprises rurales dirigées par des femmes et des jeunes reste un obstacle à leur développement commercial.
19. La Politique nationale sur les changements climatiques (2016) vise à intégrer les pratiques d’adaptation aux changements climatiques au secteur agricole et à contribuer au respect des engagements pris par le pays au titre de la Convention-cadre des Nations Unies sur les changements climatiques et à la réalisation des objectifs mondiaux de réduction des émissions de gaz à effet de serre. Le projet de loi sur les changements climatiques qui devrait être adopté vise à promouvoir la résilience climatique et une croissance verte inclusive à faible émission de carbone.
20. La Politique et le plan d’action de réduction des risques de catastrophe, et la stratégie nationale de renforcement de la résilience (2017-2021) mettent l’accent sur la surveillance, et un système d’alerte rapide est déjà opérationnel dans l’ensemble du pays²⁵.
21. La Politique nationale de l’Eswatini relative à la jeunesse (2020) reconnaît le besoin d’équité et d’inclusion en faveur des jeunes. Une Stratégie pour l’emploi des jeunes en cours de préparation établira les mesures nécessaires pour promouvoir l’emploi et l’entrepreneuriat des jeunes.
22. Le Ministère de l’agriculture, organisme public directeur, est épaulé par cinq entités publiques: le National Agricultural Marketing Board, la National Maize Corporation, l’Eswatini Water and Agricultural Development Enterprise, l’Eswatini Dairy Board et l’Eswatini Cotton Board. Toutefois, la coordination entre ces entités est inadéquate et des synergies potentielles entre leurs interventions sont souvent manquées, en particulier concernant la maximisation des débouchés commerciaux pour les petits exploitants agricoles.

III. Engagement du FIDA: bilan de l’expérience

23. Le Bureau indépendant de l’évaluation du FIDA (IOE) a produit une évaluation de la stratégie et du programme de pays (ESPP)²⁶ portant sur les projets financés par le FIDA et exécutés en Eswatini entre 2000 et 2020, ainsi que des évaluations de projet et des rapports de missions d’examen, qui ont apporté des enseignements précieux pour l’élaboration du présent COSOP.
24. Les recommandations suivantes sont ressorties de l’ESPP: i) s’attaquer aux obstacles majeurs qui empêchent les petits exploitants agricoles, les jeunes et les femmes d’accéder à des moyens d’existence durables; ii) mettre en place des initiatives conjointes en maximisant l’efficacité et l’efficience; iii) veiller à donner

²⁴ Une Stratégie nationale de développement doit être proposée en 2022 afin de remplacer les documents stratégiques en vigueur. Des consultations de haut niveau relatives au COSOP ont révélé que les priorités du pays pour la prochaine période seront axées sur la substitution des importations de produits agricoles, la stimulation des exportations et le renforcement de l’inclusion financière, entre autres.

²⁵ Une nouvelle stratégie est en cours d’élaboration.

²⁶ IOE. *Kingdom of Eswatini Country Strategy and Programme Evaluation, Draft Report, 2021.*

aux systèmes de suivi-évaluation et de passation de marchés une place prépondérante dans la conception des projets.

25. Les autres enseignements tirés et pris en compte dans le présent COSOP sont les suivants²⁷:
- i) **Ciblage.** Il est nécessaire de cibler les bénéficiaires des projets avec justesse et d'apporter un appui adapté à leurs besoins spécifiques, en particulier en ce qui concerne les jeunes, les personnes vivant avec le VIH, les personnes handicapées et les ménages possédant peu d'actifs, qui ne peuvent pas mettre sur pied des entreprises rurales durables²⁸. Afin de réduire la forte prévalence du VIH, il est important de s'attaquer à ses causes sous-jacentes et aux pratiques culturelles à risque.
 - ii) **Participation communautaire.** Il ressort de l'expérience de planification du développement des chefferies adoptée dans le cadre du Projet d'appui à la production agricole familiale induite par le marché que la participation active des communautés à la conception et à l'exécution des interventions en faveur du développement rural est essentielle à la réussite de ces interventions.
 - iii) **Création d'emplois pour les jeunes.** La jeunesse swazie n'est guère attirée par l'agriculture, car cette dernière semble offrir peu de possibilités de développement économique. Les possibilités de création d'emplois (y compris de microentreprises et petites et moyennes entreprises) dans l'agriculture à vocation commerciale et les activités hors exploitation doivent être prises en considération comme des occasions de renforcer l'inclusion des jeunes²⁹.
 - iv) **Promotion de la sensibilisation des institutions financières.** Les institutions financières de l'Eswatini apprécient souvent mal les dynamiques des entreprises agricoles et sont peu enclines à prendre des risques pour soutenir des petites et moyennes entreprises. Le renforcement des capacités en matière d'évaluation des risques et de conception de produits adaptés aux besoins des clients sera essentiel pour renforcer l'inclusion financière dans le secteur agricole³⁰.
 - v) **Simplicité de la conception.** Les projets complexes, supposant une variété d'approches sectorielles et de dispositions institutionnelles, et les interventions multiples sont difficiles à mettre en œuvre³¹.
 - vi) **Complémentarité au sein du portefeuille.** Il est nécessaire de mettre l'accent sur la complémentarité dans la conception et l'exécution des projets successifs, par exemple de ceux visant à renforcer l'inclusion financière et à développer des entreprises rurales et des chaînes de valeur³².

IV. Stratégie de pays

A. Avantage comparatif

26. Le FIDA entretient un partenariat solide avec le Gouvernement swazi depuis plus de 35 ans et possède les avantages comparatifs suivants:
- i) Le FIDA est la seule institution financière internationale et entité des Nations Unies qui investit exclusivement dans de vastes projets de développement rural en faveur des ménages ruraux pauvres.

²⁷ Les autres enseignements ont été intégrés au rapport relatif aux PESEC.

²⁸ FIDA. *Kingdom of Swaziland – Financial Inclusion and Cluster Development – Final Project Design Report*, 2018.

²⁹ Consultations relatives au COSOP de l'Eswatini (2021).

³⁰ IOE. *Kingdom of Eswatini – Rural Finance and Enterprise Development Programme – Project Performance Evaluation*, 2019.

³¹ IOE. ESPP pour l'Eswatini, 2021.

³² Consultations relatives au COSOP de l'Eswatini (2021).

- ii) Le FIDA a prouvé sa capacité à mobiliser des partenaires afin d'obtenir des cofinancements en faveur de ses projets de développement rural.
- iii) Les projets financés par le FIDA sont conçus en collaboration avec le Gouvernement swazi et sont parfaitement conformes aux priorités nationales et exécutés par les ministères.
- iv) L'accent mis sur l'approche participative de la conception et de l'exécution des projets financés par le FIDA a joué un rôle majeur dans le renforcement des capacités afin que les communautés puissent élaborer les plans nécessaires pour guider les investissements publics dans les secteurs de l'agriculture et du développement rural (Projet d'irrigation à l'intention des petits exploitants du bassin inférieur de l'Usuthu)³³.

B. Groupe cible et stratégie de ciblage

27. **Groupes cibles.** L'appui du FIDA sera destiné à trois groupes cibles:

- i) Groupe 1: entrepreneurs de taille petite et moyenne possédant les capacités pour devenir des agriculteurs commerciaux de façon durable, qui ont besoin d'une assistance technique ou financière pour y parvenir.
- ii) Groupe 2: petits exploitants agricoles subvenant à leurs besoins élémentaires qui restent vulnérables aux chocs extérieurs et ont besoin d'un appui pour renforcer leur résilience.
- iii) Groupe 3: personnes pauvres possédant peu de ressources vivant en milieu rural et périurbain qui ont besoin d'un appui pour renforcer leur résilience et améliorer leur sécurité alimentaire et nutritionnelle.

28. **Stratégie de ciblage.** Les interventions seront menées à l'échelle nationale, mais cibleront des lieux qui présentent des niveaux élevés de pauvreté et d'insécurité nutritionnelle ainsi qu'un potentiel en matière de coordination des investissements. Des programmes spécifiques permettront de répondre aux besoins de chaque catégorie de bénéficiaires. L'appui aux membres du groupe 2 portera sur la transition des petits exploitants pratiquant une agriculture de subsistance vers des moyens d'existence à vocation commerciale et rentables, et mettra l'accent sur l'établissement de liaisons entre les petits planteurs du secteur privé et les acheteurs. Les personnes relevant du groupe 3 bénéficieront de possibilités d'assurer leur sécurité alimentaire et nutritionnelle grâce à des interventions axées sur la production.

29. Des quotas seront établis afin d'assurer la participation de femmes (au moins 40%), de jeunes (40%) et de personnes handicapées (8%) aux activités des projets. Les personnes vivant avec le VIH feront partie des bénéficiaires et profiteront des interventions d'autonomisation. Le ciblage des jeunes, en particulier de ceux vivant dans les zones les plus difficiles d'accès, sera une priorité. Le présent COSOP ciblera environ 52 000 personnes et, à raison de six membres par ménage rural en moyenne, pourrait par conséquent atteindre quelque 318 000 bénéficiaires³⁴.

C. Finalité et objectifs stratégiques

30. L'objectif du COSOP, qui est conforme aux stratégies d'exécution du FIDA émanant du Sommet des Nations Unies sur les systèmes alimentaires 2021 et à la feuille de route nationale du sommet sur les systèmes alimentaires de l'Eswatini, est de réduire la pauvreté rurale et d'améliorer de façon durable la sécurité alimentaire et nutritionnelle des ménages possédant peu de ressources par l'entremise d'une commercialisation agricole inclusive et résiliente ainsi que de possibilités complémentaires de génération de revenus agricoles et non agricoles. Les

³³ FIDA. Rapport relatif au Projet d'inclusion financière et de développement de pôles de compétitivité, 2018.

³⁴ Rapport relatif aux PESEC, paragraphes 150-153.

programmes et projets exécutés dans le cadre du présent COSOP mettront particulièrement l'accent sur la conservation de la biodiversité et l'inclusion des jeunes et des femmes. Ce COSOP, qui contribuera à la réalisation des objectifs de développement durable n^{os} 1, 2, 5, 8 et 13, s'appuie sur deux objectifs stratégiques et sur les thématiques transversales que sont la jeunesse, l'égalité femmes-hommes, les changements climatiques et la nutrition.

31. **Objectif stratégique n° 1: Améliorer les systèmes alimentaires par le renforcement de la productivité résiliente face aux aléas climatiques ainsi que de la sécurité alimentaire et de la santé nutritionnelle au profit des petits exploitants agricoles possédant peu de ressources.** Reposant sur une approche fondée sur les systèmes alimentaires, le premier objectif stratégique ciblera les facteurs qui limitent la productivité résiliente face aux aléas climatiques et la santé nutritionnelle des petits exploitants pratiquant une agriculture de subsistance. En mettant particulièrement l'accent sur l'inclusion des femmes, cet objectif promouvra des technologies agricoles adaptées à leurs actifs et à leurs besoins et inclura des activités concernant l'adaptation aux changements climatiques, la conservation de la biodiversité et d'autres pratiques d'atténuation des effets des changements climatiques nécessaires pour améliorer la situation nutritionnelle des ménages.
32. **Objectif stratégique n° 2: Renforcer la commercialisation de la production paysanne par l'entremise d'un appui en matière d'actifs et de renforcement des capacités afin de faciliter la transition des petits exploitants vers des entreprises agricoles ayant des activités hors exploitation.** Le second objectif consistera à fournir aux petits exploitants agricoles les actifs et le renforcement des capacités nécessaires pour passer d'une agriculture de subsistance à une activité à vocation commerciale. Ainsi, l'accent sera mis sur le regroupement de la production paysanne, l'inclusion financière, l'appui aux activités climato-compatibles de transformation des produits agricoles, la facilitation de l'intégration au marché des petits exploitants ainsi que le renforcement des chaînes de valeur des cultures à forte valeur marchande.
33. **Théorie du changement** (appendice XI). La théorie du changement du présent COSOP repose sur l'idée que la réduction de la pauvreté rurale en Eswatini exigera l'amélioration de la productivité résiliente face aux aléas climatiques, le renforcement de la conservation de la biodiversité³⁵ et de la sécurité alimentaire des petits exploitants agricoles ainsi que l'accroissement de la commercialisation de la production paysanne et des possibilités de génération de revenus pour les femmes et les jeunes en milieu rural. Elle prévoit la transition progressive des petits exploitants pratiquant une agriculture de subsistance vers une agriculture à vocation commerciale et le développement d'entreprises rurales ayant des activités hors exploitation. La concrétisation de ces objectifs nécessitera une combinaison d'interventions adaptées aux conditions, besoins et intérêts des différents segments de la population et en particulier des jeunes.
34. **Jeunesse.** Le COSOP mettra particulièrement l'accent sur le renforcement des compétences entrepreneuriales des jeunes dans les domaines de l'agriculture commerciale et des entreprises non agricoles (y compris des microentreprises et petites et moyennes entreprises). L'appui sera adapté aux besoins spécifiques des jeunes en fonction de leur âge et de leur sexe et inclura des activités de formation, de mentorat et de facilitation de l'accès aux ressources et aux financements visant à créer des emplois décents et durables.
35. **Égalité femmes-hommes.** Le présent COSOP intégrera les questions liées à l'égalité femmes-hommes à tous les niveaux du cycle des projets et promouvra des possibilités d'emploi ainsi que l'autonomisation économique des femmes de différents âges dans les interventions. Les mesures envisagées prévoient de

³⁵ Rapport relatif aux PESEC.

faciliter l'accès des femmes à la terre et aux ressources productives, de favoriser l'égalité dans la prise des décisions et de réduire la charge de travail des femmes.

36. **Changements climatiques.** Un appui sera apporté aux interventions d'adaptation aux changements climatiques présentant des avantages connexes sur le plan de l'atténuation, notamment concernant les pratiques agricoles climato-compatibles, les systèmes d'information climatique et météorologique, les énergies renouvelables, les pratiques de gestion durable des terres, l'utilisation efficace de l'eau, les infrastructures rurales destinées à renforcer la protection contre les aléas climatiques et l'offre de produits financiers axés sur le climat par des institutions financières. Le FIDA travaillera avec le Gouvernement swazi, ses partenaires de développement et des entités du secteur privé afin de poursuivre cet objectif.
37. **Nutrition.** Les voies du revenu et de la production seront exploitées pour promouvoir l'amélioration de la sécurité alimentaire et nutritionnelle³⁶. La sensibilisation aux questions de nutrition ainsi que la communication sur les thèmes de l'eau, de l'assainissement et de l'hygiène accompagneront ces deux voies d'action. Les interactions entre égalité femmes-hommes, lutte contre les changements climatiques et nutrition seront étudiées afin de maximiser les résultats en matière de nutrition. Des interventions visant à réduire les pertes après récolte seront envisagées dans le cadre de nouveaux projets.

D. Éventail des interventions du FIDA

38. **Prêts et dons.** Deux projets d'investissement sont en cours d'exécution en Eswatini: le Projet d'appui à la production agricole familiale induite par le marché, qui sera clôturé en 2022, et le Projet d'inclusion financière et de développement de pôles de compétitivité, courant jusqu'en 2025. Le présent COSOP inclura un nouveau projet relevant de FIDA12, le Projet d'amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne, et un autre projet soumis à la disponibilité de financements au titre de FIDA13.

Tableau 1

Portefeuille de prêts du FIDA pour la période couverte par le COSOP (2022-2027)

Projet	Objectif
Projet d'appui à la production agricole familiale induite par le marché (en cours) <ul style="list-style-type: none"> 21,1 millions d'USD 2017-2022 	Renforcer la sécurité alimentaire et nutritionnelle ainsi que les revenus des familles de petits producteurs grâce à une diversification de la production agricole et à l'établissement de liaisons avec les marchés.
Projet d'inclusion financière et de développement de pôles de compétitivité (en cours) <ul style="list-style-type: none"> 38,56 millions d'USD 2019-2025 	Accroître le rendement et la pérennité des entreprises agricoles et non agricoles par l'entremise de l'établissement de liaisons résilientes entre les agriculteurs et les marchés et d'un accès aux services financiers appropriés.
Projet d'amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne (réserve de projets de FIDA12) <ul style="list-style-type: none"> 9,07 millions d'USD relevant du Système d'allocation fondé sur la performance au titre de FIDA12 2023-2029 	Réduire la pauvreté et l'insécurité alimentaire et nutritionnelle par l'entremise du renforcement de la performance de filières de produits de base ciblées afin d'améliorer l'efficacité des systèmes alimentaires grâce au renforcement de la productivité agricole, de l'innovation, de l'intégration au marché, des activités de transformation de produits agricoles, des exportations et de la résilience.
Projet d'inclusion financière (réserve de projets indicative de FIDA13) <ul style="list-style-type: none"> Montant à déterminer 2025-2031 	Mettre l'accent sur l'inclusion financière en fonction des résultats du Projet d'inclusion financière et de développement de pôles de compétitivité.

³⁶ Les activités tenant compte des enjeux nutritionnels seront alignées sur la stratégie nationale d'intégration systématique des questions de nutrition.

39. **Dons régionaux.** Des dons régionaux seront également mobilisés afin de compléter les projets financés par le FIDA. L'Eswatini bénéficie actuellement d'un don relevant du Projet de renforcement de la nutrition des systèmes agroalimentaires en Afrique orientale et australe grâce aux cultures de racines et tubercules, mis en œuvre par le Centre international de la pomme de terre.
40. **Technologies de l'information et des communications au service du développement.** Le FIDA fournira une assistance technique portant sur l'utilisation des technologies de l'information et des communications au service du développement, notamment concernant l'utilisation de technologies numériques aux fins de la surveillance des changements climatiques et de l'atténuation de leurs effets.
41. **Mécanisme de relance en faveur des populations rurales pauvres.** L'Eswatini bénéficie actuellement de deux dons relevant du Mécanisme de relance en faveur des populations rurales pauvres afin de renforcer la résilience face aux conséquences de la pandémie de COVID-19. Le premier don (304 000 USD) est géré par l'Organisation des Nations Unies pour l'alimentation et l'agriculture (FAO), tandis que le second (371 000 USD) constitue une partie du financement du Projet d'appui à la production agricole familiale induite par le marché.
42. **Programme de participation du secteur privé au financement.** En cas de besoin, le Programme de participation du secteur privé au financement sera mobilisé afin d'obtenir l'appui d'investisseurs du secteur privé à la promotion de l'emploi des jeunes, de l'autonomisation des femmes, de la durabilité environnementale et de la résilience climatique des petits exploitants agricoles.
43. **Mécanisme de financement pour l'envoi de fonds.** Le Projet d'inclusion financière et de développement de pôles de compétitivité bénéficie déjà d'un don au titre du Mécanisme de financement pour l'envoi de fonds. Les possibilités de renforcement de la collaboration avec ce mécanisme seront explorées.
44. **Participation à l'élaboration des politiques nationales.** En plus des recommandations de l'ESPP, les domaines d'intervention suivants ont été repérés en ce qui concerne la participation à l'élaboration des politiques nationales au cours de la période du COSOP: i) appui à une stratégie intégrée de commercialisation agricole qui assure une plus grande coordination entre les entités détenues par l'État dans le secteur, le développement de chaînes de valeur et la substitution des importations; ii) dialogues sur le besoin de transformations macroéconomiques et d'ajustements budgétaires; iii) renforcement des capacités en matière de gestion participative des écosystèmes et de conservation de la biodiversité à l'échelle locale et nationale; iv) partage de modèles et de bonnes pratiques améliorant l'accès des femmes et des jeunes aux terres agricoles; v) partage de modèles et de bonnes pratiques concernant l'inclusion efficace des jeunes.
45. **Renforcement des capacités.** Des activités de renforcement des capacités et d'appui technique dans les domaines accusant un déficit de compétences, comme l'intégration des marchés, le développement de filières de produits de base et le suivi-évaluation, seront exécutées au profit de fonctionnaires du Gouvernement en concertation avec les ministères participants. L'attention portera également sur le renforcement des capacités des institutions financières nationales dans les domaines de l'évaluation des risques et de la création de produits personnalisés, ce qui améliorera l'inclusion financière des petits exploitants agricoles à vocation commerciale.
46. **Gestion des connaissances.** La gestion des connaissances adoptera des approches novatrices dans le cadre de la collecte et de l'analyse de données factuelles pertinentes afin d'appuyer l'exécution des activités, la participation à l'élaboration des politiques nationales et la reproduction des interventions à plus grande échelle. Cela passera notamment par l'utilisation d'outils numériques pour

faciliter la participation des bénéficiaires aux activités de production de connaissances. Les activités comprendront la production et la diffusion systématiques³⁷ de supports de connaissances abordant des thèmes majeurs du présent COSOP. La coopération Sud-Sud et triangulaire sera également mise à profit si la situation s’y prête.

47. **Coopération Sud-Sud et triangulaire.** La coopération Sud-Sud et triangulaire sera encouragée auprès de nouveaux partenaires bilatéraux et des partenaires actuels de façon à soutenir l’action dans les domaines majeurs, tels que l’égalité femmes-hommes et l’autonomisation des femmes (Kenya), les modèles d’irrigation (Zimbabwe), les technologies faisant appel à des énergies renouvelables destinées aux petits exploitants agricoles et les races de poulets indigènes (Cambodge), le développement de pôles de compétitivité (Népal) et les enjeux liés aux changements climatiques (Afrique du Sud).
48. **Communication et visibilité.** Des stratégies seront conçues, notamment concernant l’interaction par le biais d’Internet et des médias locaux (radio, télévision et journaux), pour sensibiliser le public cible et montrer les effets du programme de pays sur l’amélioration des conditions de vie de la population rurale de l’Eswatini.

V. Innovations et reproduction à plus grande échelle pour des résultats durables

49. **Innovations.** Le COSOP visera à intégrer des innovations technologiques dans la conception et l’exécution des projets. Ces innovations incluront des outils géospatiaux destinés au ciblage et au suivi-évaluation, des systèmes après récolte respectueux de l’environnement, des technologies climato-compatibles ainsi que des outils numériques pour la tenue de dossiers, l’envoi de fonds par mobile et les services de commercialisation et de conseil.
50. **Reproduction à plus grande échelle.** La reproduction à plus grande échelle fait partie intégrante du programme de pays du FIDA en Eswatini. Les interventions fructueuses des projets clôturés ou en cours, comme le ciblage des jeunes, les approches participatives du développement, la conservation de la biodiversité et la remise en état des terres, seront reproduites à plus grande échelle.

VI. Exécution du COSOP

A. Enveloppe financière et objectifs de cofinancement

51. Pour FIDA12, l’allocation de l’Eswatini au titre du Système d’allocation fondé sur la performance s’élève à 9 070 000 USD, qui seront alloués au nouveau Projet d’amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne. Il est pris pour hypothèse qu’une allocation indicative équivalente sera accordée au titre de FIDA13. L’Eswatini est également admissible pour bénéficier des ressources du Mécanisme d’accès aux ressources empruntées. Le Gouvernement a indiqué qu’il pourrait faire appel aux ressources de ce mécanisme en cas de besoin afin de soutenir l’exécution des activités relevant des grandes priorités établies dans ses stratégies et plans agricoles.

³⁷ Événements de partage des enseignements, visites d’échange, plateformes multiacteurs, concertations sur les politiques et événements médiatiques.

Tableau 2

Projets en cours ou prévus: financements du FIDA et cofinancements

(en millions d'USD)

Projet	Financement du FIDA	Cofinancement		Ratio de cofinancement
		National	International	
En cours				
Projet d'appui à la production agricole familiale induite par le marché	10,1	7,2	7,2	1/1,42
Projet d'inclusion financière et de développement de pôles de compétitivité	9,2*	24,2	5,0	1/3,17
Prévus				
Projet d'amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne (FIDA12)	9,07	7,8	3,0	1/1,19
Projet d'inclusion financière (FIDA13)	À déterminer	À déterminer	À déterminer	À déterminer
Total	28,37	39,2	15,2	1/97

* Comprend un don de 0,3 million d'USD relevant du Mécanisme de financement pour l'envoi de fonds.

52. Le programme de pays pour l'Eswatini devrait également continuer à bénéficier de financements internationaux en faveur de l'action climatique du Fonds pour l'environnement mondial (FEM). Une proposition conjointe (FIDA et FAO) destinée au Fonds vert pour le climat (FVC) est en cours de préparation pour l'exécution d'activités de lutte contre les changements climatiques dans le cadre du Projet d'inclusion financière et de développement de pôles de compétitivité.

B. Ressources consacrées aux activités hors prêts

53. Le présent COSOP prévoit des interventions en faveur de la participation à l'élaboration des politiques nationales (paragraphe 44) et de la coopération Sud-Sud et triangulaire (paragraphe 47). Des financements supplémentaires, devant provenir des sources de financement pertinentes du FIDA, comme le Mécanisme de coopération Sud-Sud et triangulaire Chine-FIDA, seront sollicités à cette fin.

C. Principaux partenariats stratégiques et coordination du développement

54. **Partenariats stratégiques.** Des partenariats solides ont été développés avec plusieurs ministères essentiels du Gouvernement swazi³⁸. Les autres partenaires de développement comprennent des organismes des Nations Unies, des organisations de la société civile, des établissements universitaires et des entités du secteur privé, qui contribueront à l'appui à l'exécution et à la participation à l'élaboration des politiques nationales. Il est prévu d'établir de nouveaux grands partenariats stratégiques portant sur le financement de l'action climatique (FEM et FVC), l'inclusion financière (banques commerciales), le cofinancement et l'appui aux travaux d'analyse (Banque africaine de développement, Banque mondiale et Union européenne), la recherche et l'innovation (Institut international de recherches sur l'élevage et Centre international de la pomme de terre) ainsi que les infrastructures (Fonds de l'Organisation des pays exportateurs de pétrole pour le développement international).

³⁸ Voir appendice IV.

55. **Coordination des activités de développement.** Les objectifs stratégiques du présent COSOP sont conformes aux priorités établies dans le Plan-cadre de coopération des Nations Unies pour le développement durable de l'Eswatini pour 2021-2025 (financement climatique, politiques et réglementations destinés à promouvoir les investissements du secteur privé et une agriculture climato-compatible). Cette assertion a été confirmée lors de concertations avec la coordonnatrice résidente des Nations Unies pour l'Eswatini et l'équipe de pays des Nations Unies. La coordonnatrice résidente a approuvé le présent COSOP. Le FIDA continuera de renforcer sa participation aux travaux de l'équipe de pays des Nations Unies et sa contribution au Plan-cadre de coopération.
56. **Collaboration avec les organismes ayant leur siège à Rome.** Un renforcement de la collaboration avec la FAO est prévu dans les domaines de la promotion des pratiques agricoles résilientes face aux aléas climatiques et du renforcement des capacités nationales en matière de vulgarisation en ligne et de commerce électronique. Le FIDA collaborera également avec le Programme alimentaire mondial dans le domaine de la programmation tenant compte des enjeux nutritionnels et établira des liaisons entre les petits exploitants agricoles et le programme d'alimentation scolaire utilisant la production locale afin de les aider à commercialiser leur production et d'augmenter les revenus des ménages.

D. Participation des bénéficiaires et transparence

57. **Participation des bénéficiaires.** L'approche participative du développement restera une priorité dans le cadre de la conception des projets et des systèmes de suivi-évaluation. Les interactions avec les bénéficiaires durant les missions de supervision seront consignées et leurs avis seront pris en considération pour améliorer l'efficacité globale du présent COSOP.
58. **Transparence.** La transparence sera renforcée par la publication des noms des bénéficiaires de dons, la mise en évidence des mécanismes de réponse aux doléances du FIDA sur les sites Internet des projets ainsi que la divulgation des rapports de supervision et d'achèvement des projets. Ces rapports incluront des informations concernant l'avancée de l'exécution et les dépenses, des rapports d'audit ainsi que des données financières, affichés sur les sites Internet des projets.
59. **Mécanismes de réponse aux doléances.** Des mécanismes de réponse aux doléances seront mis en place en vue de nouveaux investissements du FIDA. Les mécanismes de réponse aux doléances à l'échelle des projets réuniront des mécanismes et outils institutionnels généralement employés dans le cadre de projets et seront destinés à l'ensemble des parties prenantes aux projets.

E. Modalités de gestion du programme

60. Tous les projets financés par des prêts du FIDA seront exécutés par des unités de gestion des projets désignées réunissant des représentants de partenaires d'exécution en Eswatini. La possibilité de fusionner la gestion du Projet d'amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne et celle du projet d'inclusion financière envisagé sera étudiée. La directrice régionale et la directrice de pays pour l'Eswatini fourniront des orientations sur les investissements du FIDA et superviseront l'exécution du présent COSOP. Son exécution bénéficiera également de l'appui technique du bureau régional du FIDA implanté à Nairobi, du bureau multipays de l'Afrique du Sud et du siège.

F. Suivi-évaluation

61. Le présent COSOP mettra l'accent sur la conception et la mise en place de systèmes efficaces de suivi-évaluation. Cela passera par l'établissement de données de référence antérieures aux interventions, la réalisation de sondages auprès des bénéficiaires et un accord entre les partenaires d'exécution sur les

indicateurs et cibles à utiliser. Des outils géospatiaux et des systèmes numériques seront utilisés pour renforcer les méthodes traditionnelles de suivi-évaluation.

62. En plus de missions régulières de supervision de projet, des examens à mi-parcours du COSOP et, le cas échéant, d'autres examens seront réalisés afin de mesurer les progrès et de faciliter les ajustements éventuellement requis.

VII. Gestion des risques

Tableau 3
Risques et mesures d'atténuation

<i>Risques</i>	<i>Niveau de risque</i>	<i>Mesures d'atténuation</i>
Politique/gouvernance L'augmentation des troubles civils entraîne un climat d'incertitude du point de vue de l'investissement.	Substantiel	Mettre l'accent sur l'emploi et l'inclusion économique des jeunes.
Risques macroéconomiques La lenteur de la transformation structurelle de l'économie et l'incapacité à exécuter des plans d'ajustement budgétaire entraînent une baisse du PIB, une hausse de la dette publique et un renforcement de l'instabilité macroéconomique.	Modéré	Participer à l'élaboration des politiques nationales en favorisant des mesures visant à accélérer la transformation structurelle de l'économie et exécuter les plans d'ajustement budgétaire.
Stratégies et politiques sectorielles Manque d'efficacité dans la préparation des systèmes du Gouvernement, l'allocation de ressources et la mise en application.	Modéré	Contribuer à un dialogue inclusif fondé sur des données factuelles autour des politiques et stratégies, aux processus de conception et au renforcement des capacités dans les domaines requis.
Capacités institutionnelles Mouvements du personnel qualifié.	Substantiel	Promouvoir une gestion efficace des ressources humaines. Incitations destinées au personnel par des activités de formation et d'apprentissage.
Portefeuille Retards dans le démarrage de projets, lenteur des décaissements, exécution incomplète du plan de travail et budget annuel.	Modéré	Élaborer des plans de démarrage détaillés. Formations en passation de marchés, gestion financière et suivi-évaluation.
Risques fiduciaires – gestion financière Manque de capacités en matière de gestion financière, crédibilité budgétaire faible, mauvaises prévisions du flux de trésorerie et niveau de liquidités inadéquat, détérioration de la situation de la monnaie locale, absence d'un système approprié de comptabilité et d'élaboration de rapports et contrôle externe inadéquat.	Substantiel	Recrutement concurrentiel concernant les postes clés des unités de coordination des projets. Formations sur les pratiques de gestion fiduciaire du FIDA. Commencer rapidement la consolidation budgétaire en s'appuyant sur des contrôles minutieux pour dresser des estimations réalistes. Améliorer les procédures de décaissement en s'appuyant sur des prévisions du flux de trésorerie de rapports financiers intermédiaires trimestriels. Mise en place d'un logiciel de comptabilité adapté aux besoins (y compris d'un module budgétaire) et alignement des capacités d'élaboration de rapports sur les exigences du FIDA. Fonds isolés sur des comptes spéciaux (en dollar des États-Unis), et utilisation prudente des comptes courants d'exploitation libellés en devise locale. Services d'audit principalement fournis par des cabinets privés ou un bureau d'audit national.

<i>Risques</i>	<i>Niveau de risque</i>	<i>Mesures d'atténuation</i>
<p>Risques fiduciaires – passation des marchés</p> <p>Manque de documents types d'appels d'offres nationaux, divulgation incomplète des données relatives à la passation de marchés, risque modéré de corruption (conformément au score de 32/100 attribué à l'Eswatini par Transparency International en 2021), faible taux d'exécution des plans de passation de marchés et retards dans la passation de marchés résultant de problèmes de conformité avec les Directives du FIDA pour la passation des marchés relatifs aux projets, COVID-19, déficit de capacités parmi les équipes de passation de marchés et mauvaise gestion des contrats.</p>	Substantiel	<p>Le FIDA œuvrera au renforcement des capacités par l'entremise d'une assistance technique physique ou virtuelle et de formations sur la passation des marchés relatifs aux projets, notamment en exploitant BUILDPROC, le programme de renforcement des capacités du FIDA et du Centre international de formation de l'Organisation internationale du Travail, comme outil stratégique de renforcement des capacités nationales en matière de passation de marchés.</p> <p>Les projets financés par le FIDA doivent être intégrés au Système de suivi des avis de non-objection et à l'outil de suivi des contrats du FIDA afin d'améliorer respectivement la qualité des processus de passation de marchés et la gestion des contrats.</p> <p>La Politique révisée du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations ainsi que la législation nationale pertinente de lutte contre la corruption s'appliqueront à l'ensemble des projets, des fournisseurs et des tiers.</p> <p>L'Agence swazie de réglementation de la passation des marchés publics est en train de concevoir des documents types d'appels d'offres et a sollicité l'aide du FIDA dans cette tâche. Les projets financés par le FIDA ont créé leurs propres modèles dans le respect des exigences du FIDA.</p>
<p>Environnement et climat</p> <p>Terres et parcours, dégradation, déforestation, événements météorologiques extrêmes, régimes pluviométriques imprévisibles.</p>	Modéré	Promouvoir des pratiques agricoles climato-compatibles et des systèmes d'information météorologique, des infrastructures à l'épreuve des changements climatiques, des pratiques de gestion durable des terres et l'assurance climatique.
<p>Risques sociaux</p> <p>Les relations entre femmes et hommes ont une incidence négative sur la durabilité de la participation des femmes bénéficiaires, l'autonomisation et l'avancement des ménages.</p> <p>Des possibilités de cibler des jeunes ne sont pas exploitées.</p>	<p>Modéré à élevé</p> <p>Élevé</p>	<p>Employer différentes méthodes pour renforcer la cohésion et la planification conjointe au sein des ménages. Appliquer les enseignements du programme d'encadrement social du Projet d'inclusion financière et de développement de pôles de compétitivité.</p> <p>Création d'une demande spécifique, de stratégies de sensibilisation et de programmes d'appui afin de garantir que les possibilités sont intéressantes et répondent aux attentes des jeunes.</p>
<p>Autres risques propres au COSOP</p> <p>COVID-19</p>	Élevé	<p>Intégrer les considérations sur l'eau, l'assainissement et l'hygiène aux activités de production agricole et de transformation.</p> <p>Adopter des solutions faisant appel aux technologies de l'information et des communications au service du développement.</p> <p>Vulgarisation en ligne et commerce électronique.</p> <p>Formations fondées sur les médias sociaux.</p> <p>Promouvoir de bonnes pratiques agricoles ainsi que la qualité et l'innocuité des aliments.</p>
Risque global	Modéré	

COSOP results management framework

Country strategy alignment	Government Priority Areas	Related SDG UNDAF Outcome	Key results for COSOP: Reduce poverty by empowering poor rural men, women and youth to shape the transformation of the agricultural sector and promote rural development which enhances their resilience to shocks			
			Strategic objectives	Lending and non-lending activities* for the COSOP period	Outcome indicators	Milestone indicators (at CMR, CCR)
National Agricultural Investment Plan (NAIP)						
Programme 1: Natural Resources Management <i>Aligned with:</i> <ul style="list-style-type: none"> • CAADP Pillar I • Eswatini CAADP Compact 2010 • MDG 7: Environmental sustainability • NDS and Vision 2022 • CASP 2005 • National Environment Policy • Eswatini Environmental Action Plan • National Irrigation Policy 2005 • National Forest Policy 2003 • National Water Policy 2009 and Water Resources Master Plan • Draft national land policy 	Well Managed Natural Resources and Environmental Sustainability	15, 13, 12, 7,17	SO1: Improved food systems, through increased climate resilient productivity, food security and nutrition for resource-constrained smallholder farmers	Lending/investment activities - FINCLUDE: the project supports Climate resilient decision making and investment under component 3. - GEF/GCF/AF financing - SAPEMP: will focus on improving productivity, improved marketing, and value addition, reducing postharvest losses and improving nutrition of supported smallholder farming households.	Smallholder farmers have enhanced capacities to sustainably manage the environment and adapt to climate change Households adopt environmentally sustainable and climate resilient practices/technologies Climate finance mobilised from the GEF/GCF/AF and/or private sector Average yield per hectare of food crops increased Post-harvest losses reduced Number of food secure smallholder farming households increased Livestock off-take rates increase among smallholder farmers Increase in average income per household from sale of livestock and livestock products	90% of supported smallholder farmers have enhanced capacities to sustainably manage the environment and adapt to climate change 50% of supported households adopt environmentally sustainable and climate resilient practices/technologies 30M USD climate finance mobilised from the GEF/GCF/AF and/or private sector Uptrend in average crop yields of >5% per annum Post-harvest losses decline by 80% Households reporting food shortage for >2 months declines to no more than 20% of total 90% of supported persons/households reporting an increase in livestock offtake 20% Increase in average income per household from sale of livestock and livestock products
Programme 2: Food Supply and Reducing Hunger Aligned with: <ul style="list-style-type: none"> • CAADP Pillar III • Eswatini CAADP Compact 2010 • MDG 1: Eradicate poverty and hunger 	Increased agriculture production, improved marketing, and value addition in the sector to improve food and nutrition security	2, 8				

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<ul style="list-style-type: none"> • NDS 2022 • CASP 2005 • Food Security Policy 2005 • PRASP 2007 					<p>Persons provided with targeted support to improve their nutrition</p> <p>Per centage of women reporting minimum dietary diversity (MDDW)</p>	<p>30,000 households provided with targeted support to improve their nutrition</p> <p>80% of supported women reporting MDDW</p>
<p>Programme 3: Improved Access to Markets and Value Chains</p> <p>Aligned with:</p> <ul style="list-style-type: none"> • CAADP Pillar II • Eswatini CAADP Compact 2010 • NDS and Vision 2022 • CASP 2005 • Economic Recovery Strategy 2011 	<p>Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth</p> <p>Efficient Economic Infrastructure Network</p>	<p>8, 17</p> <p>9, 8, 17</p>	<p>SO2: Increased commercialisation of smallholder farmers, through assets and capacity support to graduate onto off-farm agro-enterprises.</p>	<p>Lending/investment activities</p> <p>FINCLUDE: has a youth target group of 60% and works through the cluster model of organizing farmers to increase their access to finance and markets.</p> <p>SAPEMP: the project has focus on improving both productivity and market linkages of smallholder farmers.</p>	<p>Increase in per centage of rural households undertaking commercial agriculture</p> <p>Volume and value of agricultural exports increased</p> <p>Volume and value of agricultural imports decreased</p> <p>Value of agricultural commodities marketed under quality accreditation systems</p> <p>Increase in the proportion of farmers with access to financial services needed to engage in commercial activities</p> <p>Proportion of farmers marketing their produce (crop and livestock) through farmer groups /associations</p> <p>Proportion of farmers selling their produce on supply contracts/formal agreements with the private or public sector</p>	<p>80% of supported rural households/persons reporting an increase in income from agriculture</p> <p>50% increase in volume and value of agricultural exports (food products) from supported farmers</p> <p>Trade statistics show x% downtrend in volume and value of agricultural imports (food products)</p> <p>Gross value of commodities marketed under accreditation systems increased by 40%</p> <p>30% increase in farm households/persons reporting using rural financial services</p> <p>60% of supported farmers marketing their produce (crop and livestock) through farmer groups/associations</p> <p>60% of supported farmers selling their produce on supply contracts/formal agreements with the private or public sector</p>

<p>Programme 4: Agricultural Research, Extension, Training and Education</p> <p>Aligned with:</p> <ul style="list-style-type: none"> • CAADP Pillar IV • Eswatini CAADP Compact 2010 • NDS and Vision 2022 • CASP 2005 • National Agricultural Research Policy 2012 	<p>Enhanced Social and Human Capital Development</p>	<p>1, 2, 3, 4, 5,17</p>			<p>Adoption of appropriate methods of farming increased</p> <p>Number of skilled agricultural practitioners (farmers, researchers, extension workers) increased</p> <p>Capacities a the social capital of rural women and men, individually and collectively have been built, and expanded or strengthened</p> <p>Decent jobs created for the youth</p>	<p>Per centage of persons/households reporting adoption of new/improved inputs, technologies or practices</p> <p>Increase in number of extension publications and training materials for farmers</p> <p>Numbers of farmers, and extension workers trained in income-generating activities, financial literacy or business management</p> <p>6600 decent jobs created for the youth</p>
<p>Programme 5: Agriculture Knowledge Management System</p> <p>Aligned with:</p> <ul style="list-style-type: none"> • CAADP Pillar IV • Eswatini CAADP Compact 2010 • NDS and Eswatini Vision 2022 • CASP 2005 	<p>Enhanced Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law</p>	<p>16, 5, 17</p>		<p>Lending/investment activities</p> <ul style="list-style-type: none"> - FINCLUDE – youth targeting - SAPEMP – generation of evidence for informing the formulation of a more integrated agricultural marketing strategy that ensures greater coordination and synergy between state-owned entities in the sector and focuses on the development of value chains and resilient domestic supply chains 	<p>Policy analysis documents produced and disseminated to inform policy making.</p>	<p>6 evidence-based policy-relevant knowledge products produced and disseminated</p>

				<p>Non-lending/non-project activities</p> <ul style="list-style-type: none"> - SSTC with Kenya and other countries in the region on issues of gender, models and best practices enabling women and youth's access to land - China – IFAD SSTC Facility 		
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Transition scenarios

A. Transition Scenarios

The purpose of this Appendix is to offer an understanding of likely and possible country trajectories and to identify the possible implications of these for IFAD's country program, over the COSOP period.

Table 1: Projections for key macro-economic and demographic variables

Case	Baseline³⁹ [i.e. with satisfactory implementation of the Eswatini medium-term fiscal adjustment plans, with less focus on private sector investments and growth]	Alternative Scenario⁴⁰ [i.e. with successful implementation of structural reforms alleviating constraints to private investment and growth]
Avg. GDP growth (%) (2021-2023)	1.1	1.7
Public debt (as % of GDP) (2021-2023)	51.5	49.4
Debt service ratio (2021)	69.6	n.a.
Inflation rate (%) (2021)	4.8	4.0
Rural population ⁴¹	1,106,000 (2021) 1,188,000 (2027) Annual growth rate: -0.29% (2020-2025)	
Investment Climate for rural business	2/6 <ul style="list-style-type: none"> • World Bank Doing Business: ranked 121 out of 190 countries. • As the crisis abates, the government will scale up structural reform implementation to facilitate private investment and support more inclusive and stronger growth. The objective is to create an enabling business environment notably by leveraging the Recovery Strategy and the 2019 National Development Plan. Eswatini has already made progress in that direction by easing the launching of a business through free online services for name reservation and business registration. Moreover, Eswatini increased the transparency of dealing with construction permits by publishing regulations. Finally, accessing electricity is now faster thanks to the increased availability of materials for external connections works. 	
Vulnerability to shocks	3/6 <ul style="list-style-type: none"> • Eswatini remains vulnerable to significant endogenous and exogenous shocks. Indeed, the country is highly exposed to trade shocks, including higher oil import bills. More specifically, Eswatini is heavily reliant on the situation in South Africa, which it depends on for about 70% of its imports and 65% of exports. Moreover, the Eswatini lilangeni is pegged at par with the South African rand, further strengthening the bond between the two countries. Finally, Eswatini remains exposed to natural disasters, such as floods or droughts. 	

There are two foreseen scenarios for the medium-term economic outlook:

→ **Baseline Scenario** i.e. with satisfactory implementation of Eswatini's medium-term fiscal adjustment plans, with less focus on private sector investments

- COVID-19 is severely affecting Eswatini's economy, while the country is already facing economic challenges, and the government has begun fiscal consolidation efforts. While the country's policy response has been timely and proactive, the economic shock and containment policies are leading to a severe recession with important social costs.
- The economic outlook remains fragile and highly dependent on continued fiscal adjustment and the implementation of structural reforms. Assuming a gradual

global recovery, including in the Republic of South Africa (RSA), and the lifting of domestic containment measures, growth is expected to rebound to 1.4% in 2021. The IMF foresees that growth will remain subdued in the short term as the Government implements its fiscal consolidation plans before stabilizing at around 2.0% over the medium term. Under this scenario, inflation is foreseen to reach 4.8% in 2021, but is expected to remain below 5% in the medium term, supported by appropriate monetary policies.

- In terms of the debt situation, the joint IMF-World Bank Debt Sustainability Analysis (DSA) indicates that Eswatini's risk of external debt distress would remain low, despite the additional domestic spending needs related to COVID-19 and the repayment of the country's arrears. Public debt is expected to remain sustainable, peaking at around 52.5% of GDP in FY23/24, before declining slowly. Nevertheless, annual gross financing needs would remain high at about 19.4% of GDP, leading to continued financing vulnerabilities. Finally, the slowdown in South Africa will adversely affect future SACU revenue, thus generating extra budget and external financing strains.

→ **Alternative Scenario** i.e. with successful implementation of structural reforms focusing on alleviating constraints to private investment and growth.

- Under this scenario, real GDP growth is foreseen to increase by 1.5% in 2021, driven by a rebound in the industry. Manufacturing recovered thanks to a peak in export demand following the easing of lockdown measures in the region. However, although domestic revenue collection recovered, total government revenue dropped in 2021, following the decline in SACU revenues. Moreover, the recent political unrest has led to unbudgeted public spending to contain the protests' impact.
- The World Bank and the IMF forecast that the economy should rebound modestly in 2021 and 2022, as it recovers from the shocks induced by COVID-19 and political unrest. Moreover, inflation is expected to increase in 2021, partly due to rising oil and domestic administered prices but would remain at about 4% in the medium term.
- Though the second-round effects of the pandemic are anticipated to manifest through a further reduction in SACU revenues in 2022, the fiscal deficit is projected to fall in the medium term as domestic revenues recover and authorities start to implement their three-year Fiscal Adjustment Plan.
- In terms of the debt situation, Eswatini's risk of external debt distress would remain low under this scenario, even though debt levels will remain high in the medium term as the country continues to borrow, responding to domestic challenges. The current account surplus is further projected to decline in 2022, partly reflecting declining SACU revenues.

Risks to the medium-term outlook. The outlook is subject to *significant uncertainty and downside risks*. Indeed, the impact of COVID-19 continues to be subject to important uncertainties and remains a significant risk to the medium-term outlook. A slow rollout of the vaccination campaign would hinder the economy's recovery. Under both scenarios, economic prospects critically depend on the government's ability to implement the medium-term fiscal adjustment plans. If adjustment plans are not fully implemented, domestic arrears and public debt would rise further, and financing pressures would exacerbate, adversely affecting growth and undermining macroeconomic stability. External shocks could exacerbate these vulnerabilities. Lower external demand, especially a protracted recession in South Africa, would negatively affect the economic recovery and reduce SACU revenue, weakening the fiscal and external positions. Finally, Eswatini remains vulnerable to weather extremes such as droughts and floods.

The most likely scenario would be the Alternative Scenario.

B. Projected Implications for IFAD's country program

(a) Lending terms and conditions

- IFAD 12 ending Terms for Eswatini are Ordinary terms
- In line with projected implications for the lending terms and conditions, if the country remains in the alternative scenario, it is likely that the country would opt for a full utilization of its IFAD12 PBAS allocations. It is, nonetheless, foreseen that it may be challenging for the Government to meet domestic counterpart funding commitments, under such a scenario, given that domestic resources could be channelled to other priority sectors such as health.

(b) COSOP priorities and products

- Although it is foreseen that Eswatini will remain within the "Alternative Scenario" for part of the COSOP period, which could make the authorities focus on other priority areas (e.g. in health) than agriculture, it is not foreseen that the country would not request another investment project from IFAD, under IFAD12, or a top-up of an already existing project. Government officials consulted in the formulation of the COSOP emphasised the importance of agricultural development in the post-Covid economic recovery of the country and stressed the need to increase commercialisation in the sector, increase the production of high-value crops, and strengthen value chains. IFAD's support for these endeavours was highly welcomed.

(c) Co-financing opportunities and partnerships

- The IFAD country programme is expected to continue benefiting from international climate funding from the Global Environment Facility (GEF). A joint proposal (IFAD/FAO) for the Green Climate Fund (GCF) is under preparation, for the implementation of climate activities of FINCLUDE.
- Key strategic partnerships are foreseen for climate and environment financing (GEF, GCF); financial inclusion (commercial banks); project co-financing and analytical support (African Development Bank, World Bank and European Union); research and innovation (International Livestock Research Institute and International Potato Center); and infrastructure (OPEC Fund for International Development).

Agricultural and rural sector issues

Priority Issue	Affected target group	Major issues/challenges	Proposed actions needed
Access to finance	Subsistence farmers Emerging farmers Medium scale commercial farmers Women and youth interested in agro-processing and other off-farm enterprises Finance institutions Communication services Government	<ul style="list-style-type: none"> There is a need for seasonal financing of farmers' input purchases but challenges remain in how this can be accessed and how the risks of such finance to poor farmers can be mitigated. 	<ul style="list-style-type: none"> Provide de-risking financial instruments Provide financial literacy training Provide direct financial support to farmers and other VC players Promote green financial inclusion
Agronomic practices	Subsistence farmers Emerging farmers Medium scale commercial farmers	<ul style="list-style-type: none"> Productivity in Eswatini's smallholder sector will not improve unless farmers make greater use of improved inputs, especially improved seed varieties and fertilizer Use of improved inputs is currently very low in Eswatini. Low adoption is driven by weak demand and supply. Demand for improved inputs is often limited, either because farmers lack knowledge of the inputs or lack the resources to purchase them. At the same time, supply of improved inputs may be limited, because incentives to provide them are lacking 	<ul style="list-style-type: none"> Educate farmers and avail improved seed technologies Promote conservation agriculture Provide support services to smallholder producers, including input packs
Post-harvest technologies	Subsistence farmers Emerging farmers Medium scale commercial farmers Large scale commercial farmers Sugar estates Horticulture farmers	<ul style="list-style-type: none"> Challenges in accessing knowledge on post-harvest losses management. 	<ul style="list-style-type: none"> Promote the use of improved storage technologies (cereals, legumes, vegetables) Invest in construction and operation of produce aggregation centres (pack houses) in strategic locations Promote green processing technologies in partnership with private sector and government.
Natural resources management	Subsistence farmers Emerging farmers Medium scale commercial farmers Large scale commercial farmers Sugar estates Government Depts	<ul style="list-style-type: none"> Environmental degradation that causes, among other things, soil nutrient depletion, soil erosion, destruction of water catchment areas, and salinization Relative scarcity of water, both for human basic needs and for direct production in irrigation agriculture What is the contribution of solar power to the agricultural sector and impacts on natural resources management 	<ul style="list-style-type: none"> Promote soil conservation practices to reduce land degradation and improve fertility Make efficient use of water resources Invest in upscaling small and medium sized earth dam program Promote on-the-field water harvesting techniques. Continue to investigate the adaptation of local conditions to conservation agriculture.
Livestock husbandry practices	Subsistence farmers Emerging farmers Medium scale commercial farmers Beef farmers Dairy farmers Agri-entrepreneurs	<ul style="list-style-type: none"> Livestock sub-sector contributes 51% GDP Majority of livestock farmers – smallholder Marketing of livestock – low off take rates of 7% Given that Eswatini is a small country, with relatively large livestock population and limited arable land suitable for intensive crop production, and extensive communal land suitable for livestock grazing, crop livestock integration 	<ul style="list-style-type: none"> Capacitate crop & livestock extension services Provide breed improvement services Support establishment of farmer/private sector breeders associations and establish partners locally and internationally Improve institutional arrangements for sustainable rangeland management

Priority Issue	Affected target group	Major issues/challenges	Proposed actions needed
	Feeds Industry Veterinary services Livestock research services	could serve as the basis for sustainable intensification of agriculture	<ul style="list-style-type: none"> Upscale feed and fodder production and utilization Promote adoption of different models of integrated crop-livestock systems
Climate change and resilience	Smallholder farmers Commercial farmers Sugar estates Government Depts (Met Dept.)	<ul style="list-style-type: none"> Eswatini has made good progress in improving access to water for agriculture. Recent evidence shows that smallholders have benefited from public irrigation schemes, although to a lesser extent than commercial farmers 	<ul style="list-style-type: none"> Develop climate-proofed agricultural infrastructure Provide climate information & advice Government should continue investing in irrigation schemes that are oriented to high value crops grown by smallholder farmers, especially including horticultural crops.
Participation of youth, women, PLHIV, PWD in agri-business	All households, including women and youth. Agri-entrepreneurs Transporters Communication services	<ul style="list-style-type: none"> Youth lack access to productive resources, financial products and markets and have limited experience. They display limited interest agricultural activity as it is associated with subsistence agriculture and poverty. Effective engagement with youth will require understanding their incentives, stimulating their interest in commercial agriculture. Constraints faced by women because of their low level of de facto and de jure rights to land and other resources, as well as discrimination in access to financial services and other means of production Insufficient allocation of labor to their own land during labour peaks for some farmers because of poverty, forgoing valuable increases in their harvest, as shortages of food drive them to work for others Human health issues, including but not restricted to the HIV/AIDS and COVID-19 pandemics 	<ul style="list-style-type: none"> Employ communication strategies and media channels specifically designed to generate interest among the youth. Facilitate youth access to land and develop support packages that respond to their circumstances and needs. Facilitate access by women, youth, PLHIV, and PWD to productive assets
Farmer associations (Farmer groups)	Farmer groups/associations Agri-entrepreneurs Transporters Communication services	<ul style="list-style-type: none"> Expanding the knowledge and skills of farmers will be crucial for modernizing and developing smallholder agriculture in Eswatini, as well as empowering them to act more effectively in their own interests Farmers' organizations are a foundation for a better integration of smallholders in markets, e.g. Through the establishment of contract farming arrangements with commercial farmers and other agribusiness Farmers to be empowered to understand the options available and take best informed decision in changing environment. 	<ul style="list-style-type: none"> Strengthen management capacity of farm enterprises Support farmer clusters and group development Ensure farmers groups/associations participate in the formulation of agricultural policies and legislation Promote important information (climate, prices, pests and diseases, and markets) access to farmer groups
SME agro-processing	The youth (females & males) Rural entrepreneurs Agri-entrepreneurs Micro and small enterprises	<ul style="list-style-type: none"> The agro-processing sector features few value-adding initiatives, for example agro-processing, packaging, and promotion of value chains. These are due to lack of established producer-market linkages and partnerships; a sub-optimal environment for promoting local investment in agro-industry; weak producer organizations; limited technical, business and marketing management skills of rural entrepreneurs; lack of access to market information; and a scarcity of qualified service providers 	<ul style="list-style-type: none"> Promote agro processing MSEs for women and youth Promote labor-saving technologies: The high prevalence of HIV/AIDS has led to a sharp decline in the labor supply available for on-farm agricultural work in Eswatini. Commission studies designed to identify labor-saving technologies that may be suitable for use by smallholder farmers and MSE in Eswatini

Priority Issue	Affected target group	Major issues/challenges	Proposed actions needed
Access to novel agricultural technologies and innovations	The youth (females & males) Rural entrepreneurs Agri-entrepreneurs	<ul style="list-style-type: none"> Declining effectiveness of public agricultural research Poor linkages between research and extension 	<ul style="list-style-type: none"> Support research to develop, test and release technologies and innovations Modernize agricultural research – promote digital agriculture Promote use of ICT4D to improve agricultural production processes Promote technologies such as vertical farms particularly for women and youth who are constrained with access to land
Adoption of bio-fortified crops	Subsistence farmers Emerging farmers Medium scale commercial farmers Research services Extension Services Agri-entrepreneurs Communication services	<ul style="list-style-type: none"> Eswatini undertook a Zero Hunger Strategic Review in 2018 to analyze the current food and nutrition situation, as well as to identify strategies and programs for ending hunger by 2030. The prevalence of stunting among children under 5 years of age has declined from 25.5% to 19.9% meaning the country is now within the world food security requirement of below 20%, however more effort needs to be done to achieve a single digit per centage 	<ul style="list-style-type: none"> Promote bio-fortified foods (such as maize, beans, vegetables) Increase the consumption of diversified foods across the lifecycle with more focus on the vulnerable groups
Access to extension services	Subsistence farmers Emerging farmers Research services Extension Services Communication services	<ul style="list-style-type: none"> Declining effectiveness of public agricultural extension Poor linkages between research and extension Establishment of a demand-driven extension system will allow technology development and diffusion efforts to more efficiently respond to the priority needs of smallholders. 	<ul style="list-style-type: none"> Capacitate crop & livestock extension services Improve the outreach and efficiency of extension services for targeted producers Modernize public agricultural extension services Promote a demand-driven priority setting mechanism to ensure that extension services are responsive to actual needs
Nutrition knowledge	All households Women and youth Agri-entrepreneurs Communication services	<ul style="list-style-type: none"> Lack of awareness of biofortified foods Low women dietary diversity score 	<ul style="list-style-type: none"> Improve knowledge and attitudes of the population on healthy eating and appropriate food choices Nutrition education Promote income generation interventions to support other household nutritional needs
Management of social and economic risks in agriculture	All households Extension Services Communication services Government Dept Development Agencies	<ul style="list-style-type: none"> Rural households in Eswatini face specific social risks including HIV/ AIDS, gender inequality, and the effects of migration. Unaddressed these can threaten beneficiary engagement in livelihood activities. Production and sales cycles are long by the standards of other small businesses (exacerbating climate, pest, price, and transaction risks; leading to significant seasonality in labor use, cash flow, food availability, prices, and risks; and affecting whole communities and their economies); 	<ul style="list-style-type: none"> Embed specific activities to empower beneficiaries to manage common social risks. Support beneficiaries in managing and economic risks
Market access and Transportation	Finance institutions Government	<ul style="list-style-type: none"> The absence, in many cases, of markets because of low purchasing power in the domestic market and poor access to global markets caused by trade distortions 	<ul style="list-style-type: none"> Develop climate resilient market access roads
Marketing infrastructure	Communication services Finance institutions Government Development agencies	<ul style="list-style-type: none"> Output markets are weak because of poor infrastructure, limited surpluses (caused by lack of credit), and consequent disincentives for private trade 	<ul style="list-style-type: none"> In order to improve the crop production there is need to strengthen the value chains for each priority commodity and improve the vertical and horizontal coordination within the chain to improve information flow, support services, value addition, capacity building and regulation.

Priority Issue	Affected target group	Major issues/challenges	Proposed actions needed
		<ul style="list-style-type: none"> Production and marketing of staple crops, vegetables and horticulture is largely not regulated and characterized by a large number of small uncoordinated producers Inadequate capacity of both crops and livestock producers, and lack of investment support for infrastructure development for production and marketing 	<ul style="list-style-type: none"> Improvement of marketing in the beef cattle value chain Improvement of marketing in the dairy value chain
GAP Standards /Certification services improved	Government Standards association	<ul style="list-style-type: none"> Need to strengthen animal health and veterinary support to combat animal diseases and improve food safety standards Standards for agricultural products prevailing in international markets are often too high for small-scale farmers to meet—assuming they even know about them. At the same time, Eswatini does not have its own standards for local and imported products. places 	<ul style="list-style-type: none"> Capacitate farmers and processors in compliance with GAP Standards Fast-track approval of the regulations of the VPH Act and enforce its implementation to ensure compliance to food safety standard
Access to viable markets by farmers & processors	All households Agri-entrepreneurs Transporters Communication services	<ul style="list-style-type: none"> Seasonal nature of crop production, subsidies and imports of same products from other countries, all end up distorting incentives for producers. The is need to improve institutional arrangements for employment of production resources, improvement of animal husbandry, provision of animal health services, and improved access to local and international markets, stimulated by increased private sector investment. 	<ul style="list-style-type: none"> Promote market intelligence and brokering for farmers/processors
Farm enterprise management	The youth (females & males) Rural entrepreneurs Agri-entrepreneurs Micro and small enterprises	<ul style="list-style-type: none"> Challenges with farm management efficiency for smallholder farmers 	<ul style="list-style-type: none"> Strengthen management capacity of farm enterprises
ICT enhanced – Digital agriculture	All households Agri-entrepreneurs Transporters Research services Extension Services Communication services	<ul style="list-style-type: none"> Lack of reliable data needed for decision making 	<ul style="list-style-type: none"> Promote Agricultural -ICT infrastructure and services for women, youth, PLH, PWD Strengthen agricultural information systems An information system that regularly collects, stores and disseminates data on crop and livestock production An information system that regularly collects, stores and disseminates information on market conditions for inputs and outputs A system that regularly collects, stores, and disseminates information on adoption and use of improved technologies
Access to land	Youth Women Government departments Development agencies Private sector	<ul style="list-style-type: none"> Land tenure arrangements adversely affect farmers' ability to borrow, expand, dispose of land, and this serves as disincentive to improve land. 	<ul style="list-style-type: none"> Advocate for access to land (developed and ready for use) by women and youth. Support the organization of women and youth into groups to facilitate access to land managed by local authorities.
Resilience to COVID-19	Farmers groups Government departments Healthy sector Development agencies Private sector	<ul style="list-style-type: none"> COVID-19 pandemic has adversely affected the agricultural sector in Eswatini Resilience options for sustaining agricultural development beyond COVID-19 pandemic are absent 	<ul style="list-style-type: none"> Adjust agricultural program to adapt to the effects of the COVID-19 pandemic. Measures to consider could include adjusting beneficiary contributions to access project support, as relevant.

Priority Issue	Affected target group	Major issues/challenges	Proposed actions needed
			<ul style="list-style-type: none"> Invest in use of digital technology that has been enhanced during the COVID-19 pandemic, to benefit the agricultural sector and others.
Agricultural Sector Integration	Farmers groups Government departments Development agencies Private sector	<ul style="list-style-type: none"> Relatively weak collaboration and partnerships between institutions investing in agriculture and rural development (government, development partners, UN Agencies, private sector, academia) is hindering stimulation of agricultural technological advancement, productivity and competitiveness Weak commercialization of the smallholder farm sector in Eswatini 	<ul style="list-style-type: none"> Promote stronger collaboration and partnerships with the government, development agencies, the private sector and farmer groups, in order to create effective linkages necessary for the stimulation of technological advancement, productivity and competitiveness of the agricultural sector.

SECAP background study

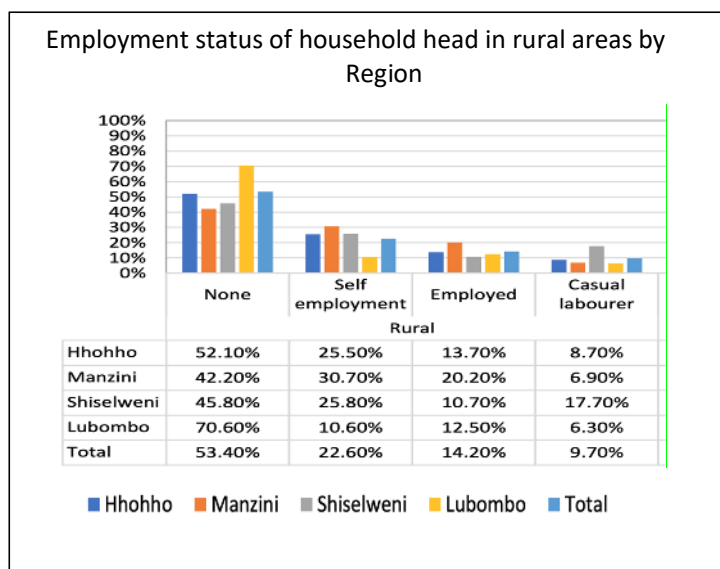
Introduction

1. This Social Environment and Climate Assessment Procedure (SECAP) outlines the COSOP's strategic orientation on social, environmental and climate change issues in Eswatini for the period from 2022-2027. It provides a situational analysis and describes the trends, policy and regulatory frameworks, and strategic actions to mainstream environment, climate change, nutrition, youth, and gender, and to track climate financing.
2. The COSOP is fully aligned with key Government strategies and plans including the Strategic Road Map 2019-2022, the National Agricultural Investment Plan, the National Gender Policy, the National Youth Policy. It is also aligned with IFAD's 2016-2025 Strategic Framework, IFAD's Strategy and Action Plan on Environment and Climate Change 2019-2025¹, and the Sustainable Development Goals (SDG). It also aligned to the IFAD12 Replenishment objectives of strengthening the resilience and livelihoods of all rural people together with increasing national capacity to deliver on the Paris Agreement goals on climate change and attainment of the SDGs.
3. This SECAP is based on an extensive literature review which included Government reports (institutional, policy and programme documents), IFAD strategy papers, action plans, project assessments and reviews, and the Independent Office of Evaluation's, Country Strategy and Programme Evaluation report of 2021 and the Food Systems Summit Dialogues. It is also informed by reports produced by multilateral agencies and other development partners, and by comprehensive consultations with key stakeholders in the government, the private sector, and civil society, and by the views of ordinary citizens.

Part 1 - Situational analysis and main challenges

4. **Demography.** Eswatini is home to approximately 1.3 million people, 76 per cent of whom live in the rural areas. It has a life expectancy of 60.2 years of age² and an average household size of eight people in the rural areas³.
5. The country is divided into four administrative regions⁴ and the majority of people (62 per cent) live in two of these, Manzini and Hhohho, which also include the most economically active segments of the population. Urbanization rates have remained relatively stable over the past 30 year. The population is largely homogenous and there are no *indigenous groups* residing in the country.
6. **Human development.** Ninety-six per cent of the population is literate with little significant variation between men and women or between rural and urban areas⁵. Thirty-four per cent of the population have attended at least some secondary education. Eswatini ranks 138/189 in the Human Development Index and is thus ranked in the category of medium human development country⁶.
7. **Rural livelihoods.** Subsistence agriculture is the primary livelihood activity for the rural population of Eswatini. Forty-three per cent of households in the country cultivate cash crops vegetables, legumes or fruits⁷, but the bulk of agricultural production (predominantly maize) is rainfed. Increasing incidence of drought, limited access to inputs, agricultural extension services, mechanization and other labor-saving technologies, together with high post-harvest losses, low access to financial services and markets, limit smallholder production, productivity and profitability.
8. In 2020 around 80 per cent of households had access to arable land although there were variations across regions with the lowest access in Lubombo (70 per cent)⁸. Of those who had access to land in 2019, only 12% cultivated more than 2ha. Land under cultivation was highest in Hhohho (19%) and lowest in Lubombo (6%)⁹.

9. Livestock farming is an integral part of Swazi culture and livelihood systems. Fishing is a further contributor to livelihoods, but it is only common in areas close to hydropower and irrigation dams. Over-fishing, the poor siting of ponds, and environmental degradation are problems which confront fish farming¹⁰.
10. Drought, irregular rains, rising food prices, and the loss of employment (or loss of a household breadwinner) constitute the principal shocks to rural livelihood strategies¹¹ and disproportionately affect those of the poor. Households in these situations are often compelled to forego assets to address immediate household needs including the purchase of food¹².
11. Climate change and environmental degradation pose significant threats to the agriculture sector. Serious livestock losses and crop failure have occurred due to recurrent droughts, the worst of which occurred in 2016 and resulted in severe food insecurity in the rural areas. The agroecology of the different regions of Eswatini determines the extent to which smallholder farmers are dependent on rainfed agriculture and this constraint, together with associated supply and demand factors, serve to trap smallholders in low yield subsistence agriculture.
12. Most smallholder farming (arable agriculture and livestock keeping) takes place on Swazi Nation Land, which is subject to severe land degradation due to weak community based natural resource management regimes. Climate change and extreme weather events such as drought, cyclones, floods, heat waves, and climate-associated pests and diseases pose a significant threat to the future of agricultural production. Poverty is a major contributing factor to the low adaptive capacity of rural Emaswati to climate shocks and climate variability. Climate resilience has been found to be lowest among the poor, female headed households and vulnerable groups.
13. In addition to agriculture, rural livelihood strategies include, by order of importance, salaries or wages, small businesses, casual labour, remittances, and social welfare grants.¹³ In 2016-17 54.3 per cent of households received remittances, most of which originated from other parts of the country¹⁴.
14. **Labour force participation and employment.** In 2017 51 per cent of people over 15 years of age were economically inactive. Employment rates for women are substantially lower than for men (36 per cent vs. 47 per cent respectively)¹⁵, reflecting the fact that more women are self-employed¹⁶. Labour force participation is highest among people aged 25 to 59 years¹⁷.

Figure 1: Employment status of household head in rural areas by region

Source: Kingdom of Eswatini, (2020)⁴²

15. The largest employment sectors are services, followed by manufacturing and agriculture. Amongst people employed in these sectors 52 per cent are men and 48 per cent are women. The most common employment sectors for men are services, agriculture, forestry and fishing, administration/defence, and construction. While the services sector is also the primary source of employment for women, they are also engaged in a variety of sectors including manufacturing, education, accommodation and food services, healthcare, and social work¹⁸. Just over 27 per cent of Swazi households are engaged in entrepreneurial activities¹⁹.
16. The Micro, Small and Medium Enterprises (MSME) sector, which has the potential create off-farm employment, is generally underdeveloped in Eswatini and is dominated by wholesale and retail enterprises. Major challenges facing the development of MSMEs are the lack of access to credit/financing; access to markets; regulatory compliance requirements; and unclear policies and legislation. Although the banking sector, composed of four commercial banks (Nedbank, Standard Bank, First National Bank and Swazi Bank), is well capitalized, banks are risk averse when serving rural MSMEs, smallholders, and particularly the poorest strata of the population.
17. The COVID-19 pandemic had a major impact on employment in the first half of 2020 with 53.4 per cent of the rural population reporting that they were out of work, 22.6 per cent that they were self-employed, 9.6 per cent that they were in casual employment, and only 14.2 per cent that they were in formal employment. Lubombo, the poorest region in the country, recorded the highest rates of unemployment, which were almost 20 points higher than the national average²⁰. Thirty per cent of rural households surveyed in the 2020 Vulnerability Assessment reported that a household member had lost employment due to the COVID pandemic.
18. **Migration.** In-country migration is common. Manzini is the most common migration destination accounting for 44 per cent of all in-migration. Sixty per cent of internal migrants are women. Migration is more frequent among people with secondary education and above, and for people who have never married. The main

causes for migration by order of importance are employment, marriage, family reunification and education. There are no substantial differences of employment between in-migrants and non-migrants across the country²¹. Migration to South Africa has been ongoing for years and it is estimated that more resulting in more Emaswati living in South Africa than in Eswatini²².

19. **Child labour.** Eswatini has ratified all international conventions on child labour and established laws and regulations yet gaps such as the absence of a minimal age to work in all areas outside of the industrial setting still exist. In 2020, 11.7 per cent of children aged 5-14 worked and another 13 per cent combined work and school. Among these children who are engaged in the worst forms of child labour, often associated to child trafficking²³. Children are only obliged to attend primary school; in a context of high rural poverty levels this opens the door to children transitioning from being students to being bread winners.

Socio-economic situation and underlying causes

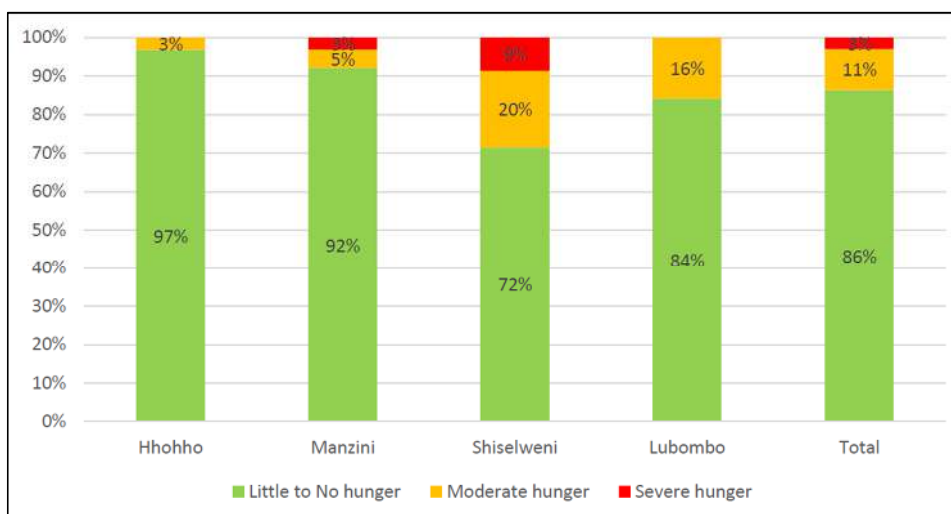
20. **Poverty.** Data from 2017 indicate that 70.2 per cent of the rural population are poor with 25.1 per cent of households living in extreme poverty²⁴. There are variable poverty trends across regions and between 2010 and 2017 there was a decrease in Hhohho and Manzini and an increase in the Shiselweni and Lubombo regions. Regional poverty rates are as follows: Hhohho 54.08 per cent, Manzini 51.47 per cent, Shiselweni 67.26 per cent and Lubombo 71.53 per cent.
21. Rural poverty in Eswatini is primarily caused by the lack of profitable income generating opportunities and decent jobs and reliance on low yield agriculture, living in isolated areas, high dependency ratios, gender inequality and HIV/AIDS.
22. Poor people face multiple deprivations, including poor access to nutritious food, arable land, water for consumption and production, sanitation, electricity, quality roads, markets, education, skills training and community infrastructure²⁵.
23. **Gender inequality and women empowerment.** Eswatini has made important strides in advancing the protection of women's rights in recent years. It has also made advances in areas such as the school attendance of girls, which is now higher than that of boys' from secondary school onwards²⁶.
24. Swazi women assume a wide array of reproductive and productive responsibilities and play a prominent role in caring for their families, in providing food for their children, and in household agricultural activities. However, social norms limit women's access to productive resources such as land, agricultural inputs, extension and financial services²⁷. Once they adopt their husband's last name married women cannot request land from chiefs without their husband's consent. Although men may allot women small portions of land to cultivate, household land is passed on from fathers to sons.
25. Without adaptive and mitigatory measures it is expected that climate change will have an increasingly negative impact on rural women who are the primary producers of household food. About 49.44 per cent of households in Eswatini are headed by women²⁸. Consequently, without investments that facilitate access to water, fuel, and other productive inputs, women's workload and burden will continue to increase.
26. At the household level, decisions on the disposal of income (particularly that earned by men) and the use of assets are typically made by men. This is because women's participation and influence in decision-making processes at both household and community level is limited.
27. The lack of male labour due to migration and prevailing gender norms contribute to the gender gap in agricultural production.

28. Gender inequality, in all of its forms, renders women more susceptible to, and more deeply affected by, shocks and hunger than their male counterparts²⁹. Eswatini ranks 143/162 countries in the 2019 gender inequality index, with a value of 0.567. The measurement reflects gender inequality in reproductive health, empowerment, and economic activity, and translates in the loss of human development due to gender inequality³⁰.
29. **Gender based violence** is widespread in Eswatini and primarily affects girls and women with 48% of women reporting having experienced sexual violence at some point in lie. One in three females have experienced some form of sexual violence by the age of 18³¹. Boyfriends and husbands are the prime perpetrators of sexual violence in Eswatini³². The country passed a bill on Sexual Offences and Domestic Violence in 2015 enacted in 2018. Work has also been done to develop a National Strategy for the Prevention and Response to Violence. Multi sector referral systems are being established at national and regional level. The health sector is also integrating capacities to deal with cases of sexual violence³³.
30. **Youth** in Eswatini (defined as being aged 15-35 years) make up approximately 30 per cent of the country ´s population³⁴. Seventy-three per cent of Swazi youth live in the rural areas with the majority (64 per cent living) in the Hhohho and Manzini regions³⁵.
31. Youth lack land, capital, and access to finance to engage in agriculture. Furthermore, because agriculture is associated with poverty parents often encourage their children to move away from agriculture and out of the rural areas.
32. While access to secondary and tertiary education has increased in the recent decades the economy has not succeeded in creating sufficient jobs for educated youth to enter the labour force. Thirty-two per cent of economically active youth in the country are unemployed (47.1 per cent in rural areas). Youth unemployment and poverty is one of the biggest economic challenges facing Eswatini³⁶ and this has been aggravated by the COVID pandemic. The frustration and disillusionment of young people is also believed to be one of the contributory factors behind recent protests and civil unrest.
33. Youth are not a homogeneous, however, and their social circumstances are shaped by age, gender, and education. Younger youth (15-25 approx.) have less access to assets and services and less life experience and skills. They are among the poorest social groups in Eswatini, as they struggle to access decent employment options. Young youth migrate mainly within the country to areas with perceived promises of employment and progress.
34. Young rural women face higher unemployment rates than their male counterparts (43.6 per cent among males vs. 51.2 per cent among females). They are highly exposed to HIV, early pregnancies and sexual harassment as a result of poverty and vulnerability. Young female youth thus carry the double burden age-related and gender-specific vulnerabilities (referred to above).
35. The situation of older youth (approx. 26-35) is relatively better than that of their younger peers. Older youth tend to settle or have found, after substantial struggle, a way to make ends meet, even if with meagre income, lack of employment security and limited potential for prosperity. Older youth often opt to migrate within the country or abroad.
36. Under this COSOP, youth wishing to establish on- and off-farm enterprises will receive the same type of support as other beneficiaries together with additional services, mentoring, and confidence building. Existing studies (SPDAs) point to the potential of investments in key value chains generating jobs. Contributing towards addressing mismatches between youth skillsets and labour market requirements is supported value chains is likely to also constitute an opportunity for IFAD to facilitate rural youth access to decent jobs. Details in all of these areas will need to

be carefully assessed at project design phase. Potential opportunities being facilitating linkages and strategy building between vocational training centres, private sector employers and employment agencies, among others, on the basis of what youth may require: training, mentorship, internships apprenticeships.

37. **Marginalised/vulnerable groups.** People with the highest level of vulnerability and lowest access to opportunities include people infected or affected by HIV/AIDS (especially those with poor health and/or a large number of dependents), very poor households and people with disabilities (PWDs).
38. Eswatini has the highest HIV prevalence rate in the world (27 per cent amongst people aged 15-49)³⁷. HIV/AIDS is the second most common cause of death across all regions of the country³⁸ and it has led to an increase in the number of orphans, in dependency rations, and in the number of women headed households.
39. HIV prevalence is higher among women (32.5 per cent) than men (20.4 per cent). Young women are especially vulnerable and more than half of women aged 30-44 live with the virus³⁹.
40. It is estimated that about 18 per cent of Swazi citizens live with a disability⁴⁰. The large majority of PWD live in the rural areas of the country where most are poor and dependent on social grants. Systemic exclusion exacerbates the situation of PWD⁴¹.
41. **Food and nutrition security.** Eswatini has a high level of food insecurity (27 per cent) with Lubombo (35 per cent) and Shiselweni (28 per cent) most affected (Figure 2)⁴². The prevalence of moderate and severe food insecurity touches 63 and 30 per cent of the population respectively⁴³, while 16 per cent per cent are chronically food insecure⁴⁴. The 2020 Global Hunger Index ranked Eswatini 74th out of 107 countries with a score of 20.3⁴⁵. This reflects a level of hunger that is serious. The major drivers of food insecurity and malnutrition in Eswatini are high food prices due to low productivity⁴³ and heavy reliance on imports, high levels of poverty, the impacts of climate change, and poor attitudes and knowledge about nutritious food consumption.

Figure 2: Household hunger scale by region

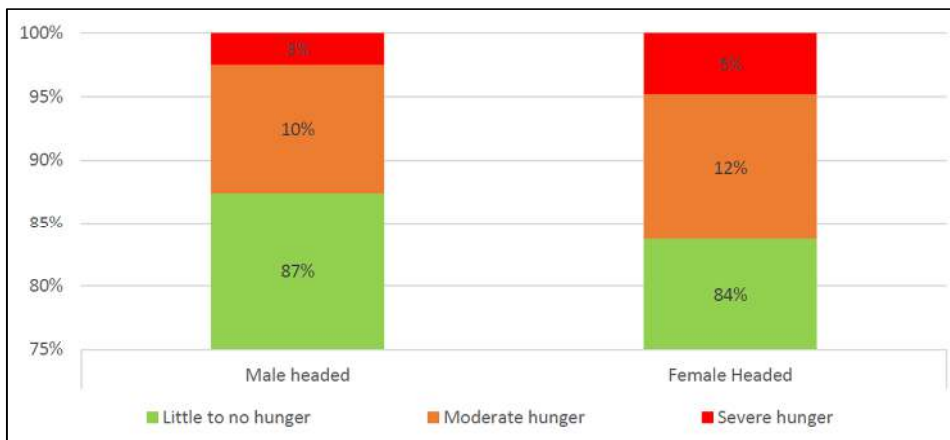


Source: EVAC Annual Assessment 2018

42. Eswatini is unable to meet its national and dietary requirements for grain and protein sources and is a net importer of food⁴⁶. Smallholder farmers are the predominant food producers, but due to limited production capacity they are

unable to produce enough to meet national food requirements. Hence, the country relies on imports to meet the requirements for maize, animal source foods and vegetables. The high levels of imports and cross border trade drive food prices and limit food access by the rural poor and vulnerable segments of the population. Women headed households have higher levels of hunger compared to male headed households (Figure 3).

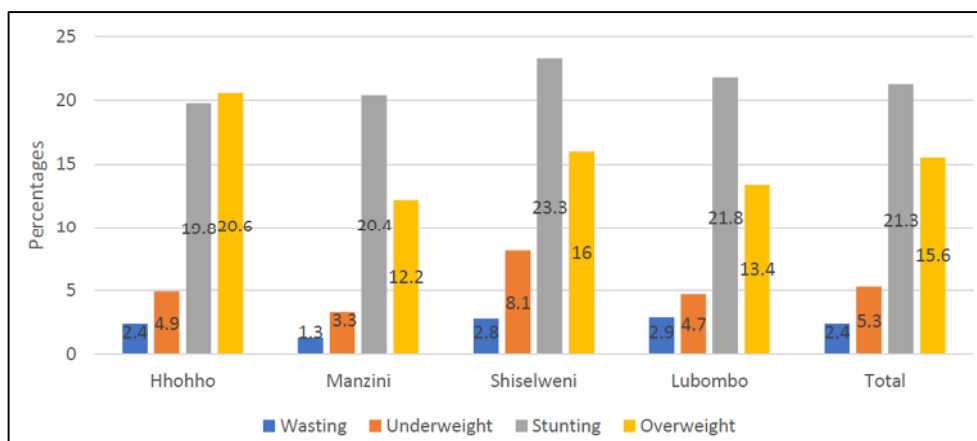
Figure 3: Household Hunger Score by Head of Household



Source: EVAC Annual Assessment 2018

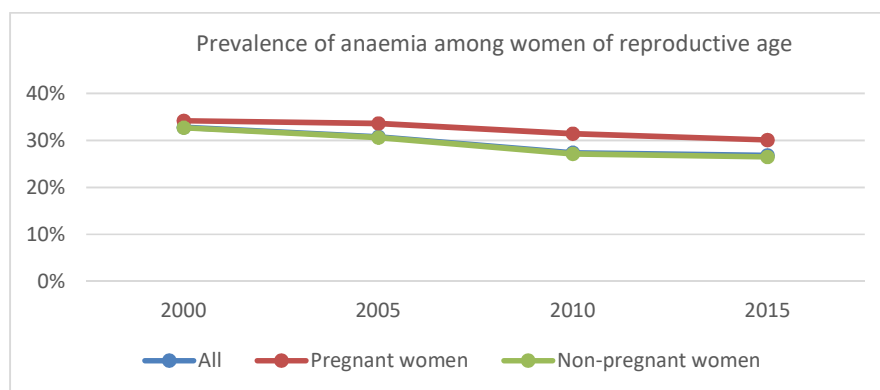
- 43. Eswatini experiences the double burden of malnutrition (with concomitant rural undernutrition), and urban obesity. Under-5 stunting is 21.3 per cent, with Shiselweni exhibiting the highest rates of stunting (23.3%) and underweight at 8.1%⁴⁷. Figure 4 shows high levels of obesity (15.6 per cent) with Hhohho having the highest rates of overweight people (20.6 per cent)⁴⁸.

Figure 4: Prevalence of Malnutrition in children below the age of 5



Source: EVAC Annual Assessment 2018

- 44. Undernutrition costs the country up to US\$92 million per year – 3.1 per cent of GDP⁴⁹. Micronutrient deficiencies are high in Eswatini and 30.7 per cent of women of reproductive age are anemic⁵⁰ (Figure 5). Adult female obesity is worsening and is currently 26.2 per cent, which is higher than the regional average of 18.4 per cent⁵¹.

Figure 5: Prevalence of anaemia among women of reproductive age

Source: Global Nutrition Report, 2018

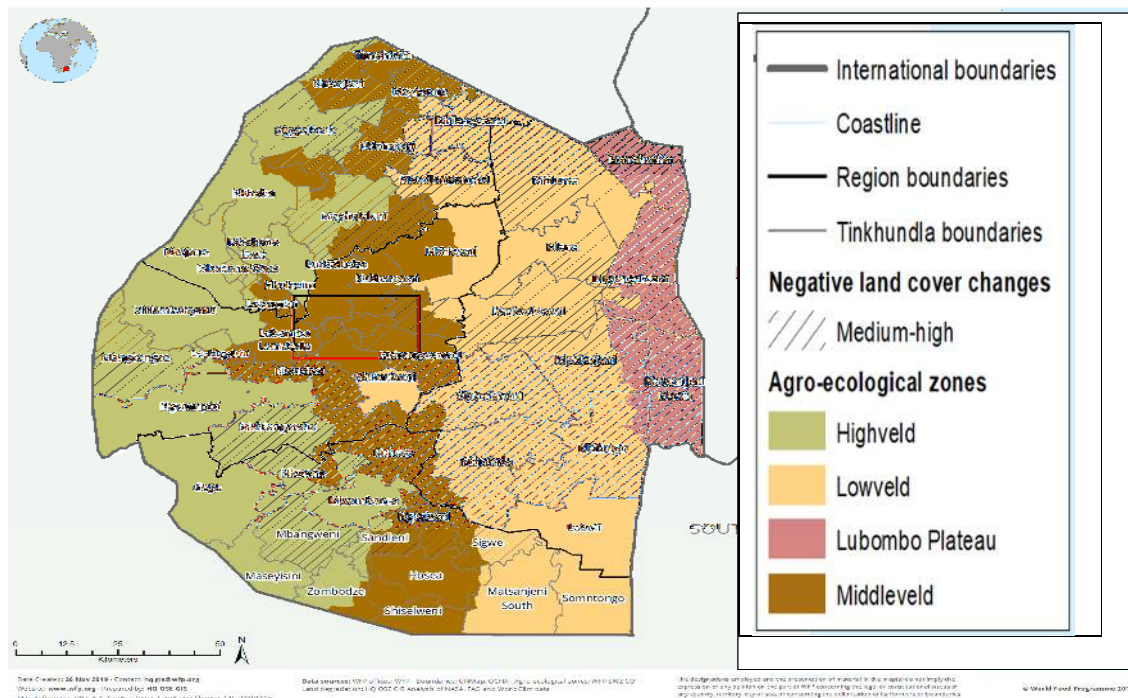
45. **Drivers of food insecurity and malnutrition.** The impacts of climate change including drought (e.g. El Nino in 2016⁵²) and dry spells, extreme rainfall and floods (e.g. cyclone Eloise in 2021), and reduced flow of major rivers among other impacts, lead to the reduced availability of agricultural water and reduced crop productivity which contribute to a decline in household food and nutrition security and compromised nutrition outcomes⁵³.
46. Poor post-harvest management practices and facilities across the country result in combined food losses of about 30 per cent in all value chains, and up to 50 per cent losses in some value chains⁵⁴. These losses impact household incomes and combined with high levels of poverty and inequality, contribute to food insecurity and malnutrition in Eswatini⁵⁵.
47. In the impact of the COVID-19 pandemic in 2020-2021 further reduced the income of rural and urban household by disrupting supply chains, and leading to increased commodity prices (due to low levels of domestic stock), and heightened national and household food insecurity⁵⁶.
48. According to the National Emergency Response Mitigation and Adaptation Plan (NERMAP) 2016-2022, there is low and decreasing access to diverse nutritious foods and water, which combined with poor food preparation and utilization knowledge and practices, is likely to result in increased micronutrient deficiencies, particularly among pregnant women and children under the age of five⁵⁷.
49. **Environmental health and access to health services.** Only 69 per cent of Eswatini's population have access to basic water services with up to 11 per cent still practicing open defecation⁵⁸. Only 42 per cent of rural dwellers have access to safe water and sanitation and up to 67 per cent rely on rivers and unprotected wells for their household water supply, thus exposing themselves to a high risk of disease and malnutrition⁵⁹. Using handwashing as a proxy indicator only 24 per cent of the per cent of the population could be considered to practice hygiene⁶⁰.

Environment and climate context, trends and implications

50. **Agroecological zones (AEZs).** Eswatini has four AEZs (Highveld, Middleveld, Lowveld and Lubombo Plateau), running from North to South. Each has well-defined vegetation, climatic patterns, topography, and soils.
51. The mountainous Highveld is in the west of the country, with an elevation of between 910 and 1 830 metres above sea level. Commercial forests and subsistence farming (maize monocrops, legumes, etc.) comprise the main vegetation cover in this area. However, agricultural productivity is hampered by

- low soil fertility and high soil acidity. During summer, there is sufficient fodder for livestock but during winter fodder is insufficient to meet local needs.
52. The Middleveld is characterised by a sub-tropical climate and an average annual rainfall of 762 to 1193 mm. The region is densely populated, with fertile valleys together with areas of low fertility and high acidity, making it suitable for a variety of crop species including maize, groundnuts, legumes, sorghum, cassava, etc. It also has a mixture of palatable and unpalatable grass species, but livestock generally require supplemental feeding for 3 to 4 months during winter. Protected nature reserves such as Mantenga and Milwane reserves are situated in this AEZ⁶¹.
 53. The Lowveld in the East has semi-arid and arid climatic conditions, occupying 40 per cent of the country’s total land mass. The area is dry with higher temperatures than in other parts of the country. The soils are moderately weathered, and vegetation is mainly comprised of shrubs together with drought tolerant crops or crops grown under irrigation (e.g. sugarcane, citrus, cotton etc.). The grass/fodder species found in the Lowveld are sufficient and palatable to support livestock during the summer and the winter. The Hlane and Mlawula nature reserves are also situated in this AEZ.
 54. The Lubombo Plateau, in the extreme East, covers an area of 1 321.2km² at an altitude of 700 metres above sea level. Grain crops and legumes such as maize, legumes, sorghum, sweet potato, cassava, and cotton are grown here⁶².
 55. Figure 4 below shows land cover changes in the different AEZs between 2001-2016.

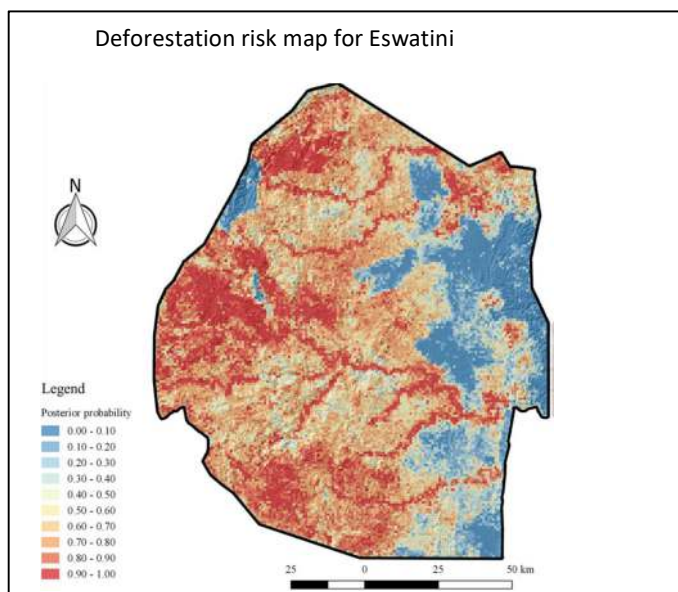
Figure 1: Agroecological zones and land cover change in Eswatini



Source: FINRES (2020)⁴⁴

56. **Environment and natural resources.** Eswatini is endowed with a wide array of natural resources that include arable land, rangelands, mineral deposits (including

- gold, coal, and diamonds), wildlife, forests, livestock, scenic terrain, and rich cultural resources among others. As the economy is largely driven by the natural resource base it is especially vulnerable to climate change and climate variability both of which have had a significant impact on the agricultural sector and other sectors in recent years. Environmental degradation in the form of land degradation is also a major concern, especially on communal land and rangelands⁶³.
57. **Land.** The land mass of Eswatini is comprised predominantly of hills, mountainous terrain, and sloping plains. About 69 per cent of land area is used for agriculture, with 10 per cent used as arable land, 1 per cent under permanent crops, and 58 per cent under pasture⁶⁴. About 1,476 km² of the land exhibits patterns of land degradation and declining agricultural productivity.
 58. Land in Eswatini faces pressure from agricultural expansion, overgrazing, deforestation, soil erosion, uncontrolled fires, and invasive alien species among others. Communal land and rangelands are constantly under the threat of severe degradation resulting from overgrazing, overstocking, and soil erosion and leading to the “tragedy of the commons”. Land degradation impacts ecosystem services, agricultural productivity, and livelihoods adversely.
 59. Eswatini has set a target to achieve land degradation neutrality by 2030 and aims to achieve this through increased afforestation and reforestation, the promotion of agroforestry, the rehabilitation of degraded land, and the implementation of sustainable land management practices⁶⁵. In recent years, the Government has piloted such earth observation tools as the Land Degradation Surveillance Framework (LDSF), remote sensing, and geographical information systems (GIS), to identify land degradation hot spots and monitor the extent of degradation and soil health more accurately.
 60. **Forest resources.** The forestry sector plays a critical role in Eswatini’s economy (primarily through the export of timber) and provides employment to a large section of the population. Forests play a significant role in sustaining ecosystems and in providing medicinal, cultural, and spiritual benefits to local communities.
 61. Eswatini has eight types of forests including montane and highland acacia woodlands, indigenous bushveld, mixed woodlands, and plantation forests.⁶⁶ In the years between 2000 and 2020 the country lost 22 per cent of its forest cover which is the equivalent of 49.0Mt of CO₂⁶⁷. Forest degradation (see Figure 6 below) in Eswatini is caused by such factors as deforestation resulting from the expansion of agricultural land (particularly for sugarcane production), wildfires, or the harvesting of fuelwood⁶⁸. Interventions such as afforestation, agroforestry, renewable energy alternatives, and sustainable land management practices can help conserve forest resources.
 62. **Water resources.** The demand for water in Eswatini is expected to increase by 28 per cent by 2050. This is likely to be further exacerbated by climate change, in that variable climate, unreliable rainfall patterns, and extreme weather events all contribute to water scarcity and stress. Eswatini’s administrative capital Mbabane, has already experienced severe water shortages in recent years due to the El Niño phenomenon. The Shiselweni and Lubombo regions have also experienced prolonged drought conditions and it is projected that the streamflow of rivers will decrease by 40 per cent by 2050, negatively impacting groundwater reserves particularly in the Lowveld⁶⁹. Investments in water harvesting and water treatment at household level, smallholder irrigation, the rehabilitation of dams and water sources, and the promotion of integrated catchment management will assist in mitigating water scarcity in rural areas⁷⁰.

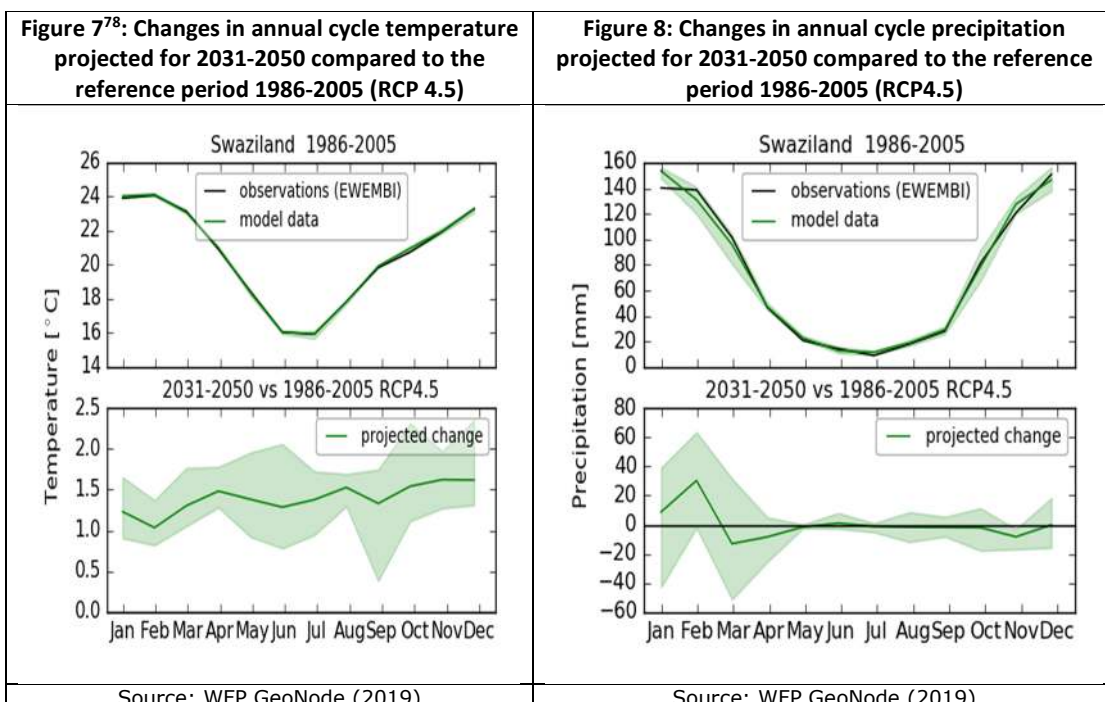
Figure 2: Deforestation risk map for Eswatini

Source: MTEA, 2018

63. **Energy.** In 2018, 78 per cent of the population had access to electricity. In rural areas, biomass, particularly fuelwood, is the primary source of fuel for household cooking and heating and the primary source of self-generated electricity in the sugar, pulp, and sawmill industries. An over reliance on fuel wood in rural areas is one of the leading causes of deforestation. It is anticipated that a reduction in streamflow will reduce the amount of water available for the generation of hydropower.
64. The energy sector emits 31 per cent of total GHGs emissions in Eswatini. The National Energy Policy of 2018 recognises the need for promotion of renewable energy alternatives to advance its low carbon development pathway⁷¹ and the country is committed to generating 50 per cent its electricity from renewable energy. Promotion of renewable energy alternatives such as solar technologies in rural areas will reduce over reliance on fuel wood, reduce GHGs emissions, and provide electricity.
65. **Biodiversity and ecosystems.** Biodiversity is an important resource for Eswatini. Uses are consumptive (i.e. food, fibre, fuel, shelter, medicine) and non-consumptive (ecosystem services, in some cases, and the tourism industry). The likely impacts of heat stress and prolonged droughts on forest plantations include more frequent outbreaks of fires, shifts in species composition, location and size, and changes in the type, location and intensity of pests and other pathogens. On the other hand, forest and savannah fires contribute to climate change, both by causing loss of vegetation and soils that serve as carbon stocks and by releasing carbon to the atmosphere by burning. This may result in significant ecosystem changes, affecting biodiversity through the spread of invasive species and bush encroachment. Recurrent droughts and flash floods are likely to affect the diversity of floral and faunal species significantly⁷². Promoting investments in agroforestry, reforestation and afforestation, wetlands reclamation, and a landscape approach will contribute to biodiversity conservation.
66. **Climate change.** The Kingdom of Eswatini has a largely subtropical climate with hot and wet summers and cold and dry winters; it ranges from a sub-humid and temperate climate in the Highveld to a semi-arid and warm one in the Lowveld. There is high inter-annual variation in precipitation, which results in periods of flash flooding or drought. Mean annual rainfall ranges from 1,500 mm in the northern

Highveld to 400 mm in the southern Lowveld and varies considerably from year to year⁷³. The country is vulnerable to extreme weather events such as droughts, heat waves, hailstorms, and floods.

- 67. Eswatini’s Nationally Determined Contributions (NDCs) seek to promote a low carbon and climate resilient development pathway for the country. The NDCs emphasise adaptation actions with mitigation co-benefits. Adaptation options are prioritised for the agriculture, water and biodiversity sectors. The country seeks to reduce its GHGs emissions by 20 per cent by 2030 from the 2010 baseline. The agriculture sector’s contribution to GHGs emissions is 33 per cent.
- 68. **Climate trends.** Historical data reveal that temperatures have increased by more than 3°C between 1961 and 2000 in all AEZs. The onset of rainfall has been delayed since 1980, with rains ending earlier over most of the country. Most changes in precipitation and increasing temperature are observed in the Western and Northern parts of the country, increases in the number of days without rain occur mainly in the Southern part, while most wet extremes are experienced in the Eastern area⁷⁴.
- 69. **Climate Projections.** Projections based on the RCP4.5 scenario (Graphs 1 and 2) indicate that both minimum and maximum temperatures will increase in all seasons and in all agro-ecological zones in the country. Temperatures in Eswatini are expected to rise by between 1.5°C and 2.5°C during the period from 2046 to 2065⁷⁵. Heatwaves and warm nights are projected to dramatically increase Westward and Northward respectively. The highest temperature increases occur over the Highveld and northern Lowveld and primarily before onset of the rains. Over this period, rainfall patterns are expected to become more uncertain and erratic, resulting in a greater frequency and an intensification of droughts and floods⁷⁶. Such climatic changes will have a severe negative impact on the agricultural sector.
- 70. Predictions by the IPCC indicate that future droughts will be longer, more intense and frequent⁷⁷. GHG emissions from all sectors (energy, industrial processes, agriculture, waste, and Land Use, Land Use Change and Forestry) are projected to increase to 33.4 million tonnes of CO2 equivalent by 2030.



71. **Vulnerability and impacts of climate change.** Eswatini's exposure, sensibility, and ability to adapt to the impacts of climate change ranks 129th out of 181 countries, 32nd in terms of vulnerability, and 74th in terms of readiness to adapt⁷⁹. Eswatini is considered to be highly vulnerable to climate change impacts, and was ranked 137 out of 181 countries in the 2020 ND-GAIN Index⁸⁰.
72. Changes in precipitation trends will trigger changes in crop varieties, planting dates, and cropping patterns. It is predicted that yields for staple cereals, especially maize, will fall by 1.34 per cent across the country by 2040 relatively to 1995 (median risk). The Shiselweni and Lubombo regions and the drier parts of Manzini and HhoHho are the most vulnerable to climate change⁸¹. Climate variability and change are also likely to impact livestock farming adversely. Projected increases in temperature are likely to result in heat stress, which reduces animal activity, foraging and growth, impedes their reproduction, and increases mortality by changing vector and disease transmissions. The likely impacts of heat stress and prolonged droughts on forest plantations include more frequent outbreaks of fires, shifts in species composition, location and size, and changes in the type, location and intensity of pests and other pathogens⁸².
73. Climate change is likely to affect water availability and use of water resources due to changes in precipitation and run-off patterns. Overall warming and drying will increase the frequency of droughts and floods in the country. The loss of tree cover to provide fuelwood is a major contributor to degradation, GHG emissions and climate change⁸³.
74. Without adequate mitigation and adaptation measures the effects of climate change on livelihood activities (both cropping and livestock rearing), and on forests and associated income generating activities will be significant. Unaddressed, these impacts will have a significant impact on the rural population and will exacerbate the breath and depth of poverty.

Part 2 -Institutions and legal framework

Institutions

75. **Government institutions.** The Ministries of Agriculture, Finance, Tourism and Environmental Affairs (MTEA), and Tinkhundla Administration and Development are the most important government stakeholders in IFAD-funded projects in Eswatini. The Ministry of Agriculture supports production related activities. A major gap remains in capacity building of producers to ensure the export orientation of SHF to substitute imports and providing investment support for production, processing and marketing infrastructure. The National Marketing and Agricultural Board (Namboard) is responsible for facilitating markets for farmers and assisting them in the processing, storage, transportation, distribution and sale of scheduled products. Questions about the effectiveness of Namboard in linking SHFs to markets were raised by various stakeholders in the preparation of this SECAP.
76. **Private sector** investment in agricultural is predominantly in the sugar industry. The National Maize Corporation, however, has supported SMLP beneficiaries by providing extension services and market information. Further private sector involvement has the potential to develop value chains which will incorporate smallholder farmers.
77. **Environment and Climate Change.** MTEA coordinates environmental and climate development projects on behalf of the government and builds partnerships with development partners. It also hosts the Global Environment Facility (GEF) and Green Climate Fund (GCF) focal points. There is a Climate Change Unit in the Ministry's Meteorology Department. The Department of Meteorology is responsible for the collection, analysis and dissemination of weather and climate data. The Eswatini Environment Authority (EEA) supports the MTEA in the development of environmental standards, legislation, and guidelines, including the preparation and

- implementation of national environmental plans. The Department of Forestry develops and implements policies and regulations in the forestry sector. Extension services and tree growing support to farmers are also provided by the Department. The Eswatini National Trust Commission is mandated to protect and conserve the country's natural heritage and implement policies on biodiversity.
78. **The National Disaster Management Agency** is charged with averting and/or reducing the impacts of natural disasters (such as drought or floods) through a national disaster management system. The system is designed to increase preparedness and mitigation, and to reduce vulnerability of the population to shocks. The Agency is also responsible for monitoring risks, undertaking research, building early warning systems, and the dissemination of information.
79. **At community level** IFAD has engaged with a range of community-based development groups, faith-based organizations⁴⁵, women and youth groups, farmer organizations (such as ESNAU) and cooperatives, savings groups and loan associations, and credit cooperatives. Groups of people living with HIV/AIDS (PLHIV) and PWDs have been established to lobby for and facilitate access to income generating opportunities and services. The buy-in of community leaders, as occurs in the Chiefdom Development Committees supported by SMLP, is paramount for the success of development interventions. Such organisations hold the potential to become development champions, promoting social inclusion, and supporting innovation and transparency.
80. **The donor community.** IFAD's engagement with development agencies and donors in Eswatini includes Rome-based agencies (WFP and FAO), other United Nations agencies (UNICEF, UNDP etc.).
81. **Social Issues.** The Ministry of Sports, Culture and Youth Affairs and associated parastatals (the Youth Enterprise Revolving Fund and the National Youth Council) are responsible for state policies and programmes supporting opportunities for Swazi youth. The Disability Unit in the Department of Social Welfare (Office of the Deputy Prime Ministers Office) is responsible for the coordination of policies and programmes aimed at providing equitable opportunities to PWDs. The National Emergency Response Council on HIV and AIDS directs, and coordinates, country level interventions related to HIV/AIDS. Child Labour issues are overseen by the Ministry of Labour and Social Security.
82. **Nutrition.** The National Nutrition Council is responsible for coordination and implementation of nutrition actions and programmes in the country. The Department of Home Economics in the Ministry of Agriculture is the custodian of the National Nutrition Mainstreaming Strategy and is responsible for coordinating implementation of the strategy. Collaboration with IFAD will strengthen the delivery of nutrition education and Social Behaviour Change Communication. The Department of Non-Communicable diseases in the Ministry of Health supports nutrition programmes in the country and particularly the monitoring of nutrition interventions and targets.
- Policy and regulatory frameworks**
83. **Environmental Management** Act of 2002 (Act No 5 of 2002) provides a framework for environmental protection and management, and the integrated management of natural resources. The Eswatini Environment Authority oversees the Eswatini Environment Fund that provides finances for environmental protection in the country. The Act also provides guidance on the conduct of strategic environmental assessments and environmental impact assessments as well as on the issuance of licences or permits for the use of natural resources.

84. **National Climate Change Policy** of 2016 provides a framework for the management of climate change in Eswatini. The enhancement of climate resilience, adaptation and mitigation are core principles underpinning the policy. The policy also seeks to: enhance the application of climate and weather information as well as early warning systems; building national capacity in climate research, analysis and modelling; improve climate knowledge by downscaling global and regional models; building the agro- meteorological network; strengthening national capacity to utilise earth observation tools; enhance national capacity in measurement, reporting and verification of GHGs and climate change actions; education and public awareness on climate change and actions; and integration of gender perspectives in climate change planning and actions. The policy identifies various sources of climate financing, including the national budget, GCF, GEF, Adaptation Fund, bilateral and multilateral donors, private sector and carbon markets.
85. **Nationally Determined Contributions (NDCs)**. Eswatini has ratified the Paris Agreement and submitted its Nationally Determined Contributions (NDCs) to the United Nations Framework Convention on Climate Change (UNFCCC). The NDCs aim to ensure a low carbon and climate resilient development pathway for the country. The NDCs seek to reduce GHG emissions by 20 per cent by 2030 from the business- as-usual scenario of 2010.
86. Eswatini's national adaptation actions are expected to be delivered through the country's National Adaptation Plan (NAP), which was to be developed in 2020. The plan aims to broadly address climate risks, reduce vulnerability to climate change, build adaptive capacities and resilience, and integrate climate change in policies, sectors and programmes. The country's climate actions are focused on vulnerable sectors such as agriculture, biodiversity and ecosystems, and water.
87. The main mitigation action at national level is to develop a robust national GHGs inventory, a credible baseline and emissions trajectory, and a comprehensive measurement, reporting and verification (MRV) system. In the energy sector, the proposed mitigation action is the use of renewable energy options such as waste, solar, and bagasse⁸⁴.
88. **Land Degradation Neutrality Targets**. Eswatini has ratified the United Nations Convention to Combat Desertification (UNCCD) and has set Land Degradation Neutrality (LDN) Targets with the goal of becoming land degradation neutral by 2030. The key LDN interventions are increasing afforestation/agroforestry, SLM practices soil organic carbon stocks, and land rehabilitation.
89. **National Biodiversity Strategy and Action Plan (NBSAP 2)**. Eswatini has developed its second NBSAP in line with the requirements of the UN Convention on Biodiversity Strategic Plan and Aichi goals. The current NBSAP builds on lessons learnt from the 1st NBSAP and has developed a biodiversity action plan, which is a matrix that identifies strategic biodiversity initiatives, targets, baselines, indicators, the costing of interventions, and agencies responsible for their implementation. The priority areas for the second NBSAP are improving the status of the country's biodiversity by reducing threats and pressures, safeguarding ecosystems, and encouraging sustainable utilization of resources.
90. **Gender and women**. The National Gender Policy of 2010 provides guidelines to redress inequities between men and women along with strategies for their implementation, monitoring and evaluation.
91. **Youth**. The Eswatini National Youth Policy of 2020 emphasizes the need for youth equity and inclusion, involvement and participation, empowerment, and sustainability. A Youth Employment Strategy is being developed and is expected set out the mechanisms needed to promote youth employment and entrepreneurship.

92. **PWDs.** National Disabilities Policy of 2013, the National Disabilities Plan of Action 2015-2020, and the National Disability Act of 2018, constitute the key documents guiding Government efforts to meet the needs and protect the rights of PWDs. The Action Plan aims to ensure that all national policies and development programmes mainstream disability and promote the social inclusion of PWDs.
93. **HIV/AIDS.** The Regional strategy for HIV prevention, treatment and care and sexual and reproductive health and rights among key populations; National Multi-Sectoral Strategic Framework 2018-2023; and the National HIV Prevention Policy provide a policy framework for curtailing the spread of HIV/AIDS and resource allocation to reduce HIV related deaths.
94. **Child Labour.** The National Children's Act of 2009 represents the policy framework of the Children's Protection and Welfare Act, which aims to promote the rights of children, protect children from all types of abuse and exploitation, including child labour, and improve the quality of education. The Children's Protection and Welfare Act and Section 97 of the Employment Act apply minimum age protections to children working in industrial undertakings, however these do not cover children working in domestic and agricultural work (they constitute gaps yet to be addressed).
95. **Food and nutrition.** The National Development Strategy (Vision 2022) outlines strategies to advance food security through investment in food production, processing and marketing techniques, and infrastructure. This will be further supported by a Food and Nutrition Policy which is currently under preparation. The National Nutrition Mainstreaming Strategy, developed in collaboration with SMLP, provides a framework for ensuring nutrition sensitive agricultural investment in the country. This COSOP's nutrition interventions will align with and contribute to the implementation of the strategy. Partnerships with government and UN agencies will be explored for this purpose.

Programmes and partnerships

96. The following partnerships which will be pursued during this COSOP will provide a platform for coordination of interventions, collaboration, sharing and learning.
97. **Integrated value chain development.** IFAD will explore opportunities to collaborate with the Rome-based agencies (FAO and WFP), government owned entities (such as Namboard and the National Maize Corporation), and private sector organisations, in the strengthening of agricultural value chains in specific sectors.
98. **Land tenure security.** Country-level policy engagement collaboration will be sought key ministries and development partners (FAO) to improve land tenure security among key target groups, including youth and women and especially female headed households.
99. **Financial Inclusion.** The Centre for Financial Inclusion is a key partner for FINCLUDE and new collaborative projects will be explored to improve access to financial services among poor households, women and youth.
100. **Women and gender equality.** UNWOMEN, the FAO, and other national and international organizations working on women's empowerment will be engaged to share lessons learnt and best practices, including those relating to the implementation of GALS in support of policy development.
101. **Youth empowerment.** IFAD will liaise with the MoA, the Ministry of Youth Affairs, the National Youth Council, as well as chieftdom and Tinkundla based representatives and other entities working at local level, to share lessons learnt, and to coordinate interventions on the empowerment of youth. The Youth Enterprise Revolving Fund provides grants to youth seeking to become entrepreneurs or to upscale their enterprises. The Fund enables youth to access

subsidised capital in the absence of collateral. Catalyze is an important partner for youth business development services provision. Important lessons can be drawn from the experience of Catalyze and the Youth Fund and potential synergies can be explored with organisations.

102. **Local healthcare centres offering HIV services.** IFAD supported projects in Eswatini implemented under the COSOP 2022-2027 will establish coordination mechanisms with healthcare centres in the areas of intervention to assess if and how projects can disseminate information to target groups on available clinical services.
103. **Nutrition.** The Government of Eswatini, in collaboration with FAO and WFP, are implementing the Home-Grown School Feeding Programme (HGSFP). IFAD, under SMLP and FINCLUDE, will aim to establish linkages with the HGSFP to provide reliable markets for smallholder farmers, stimulate production, and increase incomes which, in turn, will improve household access to diverse foods. The Department of Home Economics expressed interest in receiving IFAD support in the development of the national nutrition social and behaviour change communication strategy.
104. **Environment and Climate Change.** IFAD supported programmes and projects will seek to establish partnerships with development agencies in the country providing support for integrated environmental management and climate mitigation and adaptation actions. These would include FAO, UNEP, UNDP, AfDB and the World Bank. Opportunities also exist to partner with the private sector and financial institutions on the provision of climate focused financial products. Ongoing collaboration with the Ministry of Tourism and Environmental Affairs will continue under this COSOP. Opportunities to collaborate with other agencies on environment and climate financing from the GEF, GCF and Adaptation Fund will be explored at project level.

Part 3 - Strategic recommendations

105. **Lessons learned.** The following lessons have been drawn from IFAD 's experience in Eswatini:
106. **Targeting.** Youth need to receive all the support provided to other groups plus additional elements such as increased assistance to rural, young and poor aspiring entrepreneurs access to seed capital, among others.
107. **Strengthening of value chains.** The development of sector-based value chains is essential in maximising the productivity of small-scale farmers, creating off-farm employment, increasing agricultural exports, and in promoting import substitution.
108. **Reduction of social risks.** The impact and sustainability of projects are enhanced when common social risks (such as HIV, gender inequality, the absence of land tenure security for youth and women, high drop-out levels, and urban migration), are identified and addressed as part of project design
109. **The importance of domestic agriculture.** Disruptions in food supply chains and loss of income due to the COVID-19 pandemic demonstrated the importance of household gardens in providing access to fresh, diverse and nutritious foods, such as vegetables, legumes, and fruit, in the face of shocks.
110. **The need to reduce high food losses.** Improved food production will not be sufficient to improve household income and food security without a commensurate reduction in post-harvest losses.
111. **Nutrition impacts.** The scaling up and sustainability of nutrition interventions requires strengthening of the country's capacity to promote better access to more nutritious food, to increase awareness and knowledge of the important health

outcomes of nutritious food, and to effectively monitor the nutrition outcomes of projects and programmes.

112. **Climate adaptation and mitigation.** Investment in such activities as irrigation, water harvesting, crop diversification, climate and weather information, biodiversity conservation, land rehabilitation, agroforestry, early warning systems, drought tolerant species, climate resilient infrastructure, renewable energy and climate smart agricultural practices, have proven critical in reducing farmers' vulnerability to climate shocks and in enhancing their food security and livelihoods.
113. **Innovation in the use of technology.** The application of earth observation tools such as remote sensing and GIS have proven useful in mapping natural resources, monitoring land use practices, land use planning, and in the determination of environmental degradation hotspots. To make optimal use of the tools, more investments in capacity building are required at project level as well within government agencies.

Strategic orientation

114. The expected overall objective of the COSOP is to propel growth in agricultural production and productivity to improve food security, create wealth, reduce rural poverty, and contribute to the GDP without undermining the environment and natural resource base, while improving the resilience of smallholder farmers. To achieve this, the COSOP will serve as a platform to promote social inclusion by empowering poor and resource constrained smallholders, including women and youth, while at the same time deepening climate adaptation and mitigation, environmental protection, and resilience.
115. Programmes and projects under the 2022-27 COSOP will contribute towards gender equality and women's empowerment, youth empowerment, the integration of vulnerable groups such as PWDs and PLHIV; improve nutrition especially among women, children, elderly and vulnerable groups; improve nutrition monitoring and evaluation systems, nutrition education and campaigns; facilitate access to weather and climate information; support climate-informed production decisions; Good agricultural practices (GAP) and landscape rehabilitation; promote waste management and valorisation; reduce post-harvest losses; strategically support the development of value addition while promoting environmental hygiene; promote decent work and workplace safety; support agricultural extension and advisory services, community action planning processes; and improve climate-resilient marketing ecosystems, among others.
116. Projects under this COSOP IFAD will aim to increase the capacity of institutions that are engaged in the implementation of rural development activities at the level of local communities. This will include government departments and implementing agencies such as the CFI, ESWADE, National Nutrition Council, and chiefdom development committees, amongst others. These local institutions are of considerable importance as they are rooted in communities and have contextual knowledge of the challenges, which they face, and the interventions which could improve their livelihoods.
117. IFAD investments in Eswatini can contribute to the country's ambition to become land degradation neutral by 2030. Agricultural production and productivity in Eswatini are limited by land degradation, which manifests through soil erosion, declining soil fertility, deforestation etc. As per the LDN targets, IFAD's investments in sustainable land management (SLM) practices such as soil and water conservation measures, agroforestry, afforestation, conservation agriculture and integrated soil fertility management through the SMLP/CSARL and FINCLUDE projects contribute to increased agricultural productivity, food security and better livelihoods for smallholders. Future investments should continue to support the country's land degradation neutrality targets through investments in SLM measures to increase productivity, food security, GHGs, and increasing soil carbon stocks.

118. Eswatini's NDCs can be achieved through mitigation and adaptation actions as well by reducing the vulnerability and enhancing the resilience of smallholder farmers. Current IFAD investments through SMLP/CSARL and FINCLUDE contribute to the country's adaptation priorities through crop diversification, land rehabilitation, agroforestry, conservation agriculture, drought tolerant varieties and species, biodiversity conservation, micro irrigation, and rainwater harvesting among others. These interventions reduce farmers' vulnerability to climate change and increase their resilience. Renewable energy options, such as solar, contribute to mitigation priorities and are being promoted under FINCLUDE and SMLP/CSARL. Future IFAD investments will focus on climate adaptation options with co-mitigation benefits.
119. Future investments could address the country's NBSAP 2 priorities through investments in ecosystems management and biodiversity conservation, as well as by capacity building at local and national levels. The ongoing SMLP/CSARL projects have shown that interventions such as wetlands restoration, afforestation, agroforestry, and the fencing off gazetted conservation areas have positive biodiversity conservation outcomes.
120. The Government of Eswatini has expressed interest in IFAD's support in the development of a national framework and strategy for climate information services in the country.

Strategic actions and targeting

121. The context of rural Eswatini requires that specific attention be directed towards the key youth categories – male and female, younger youth (15-24 years) and older youth (25-35 years) – based on their unique circumstances (to address high levels of youth unemployment), women (given the high number of women headed households), nutrition (to address pervasive malnutrition in a context also highly affected by HIV), along with environment and climate change (due to progressively challenging conditions that limit production and productivity and land degradation). Strategic interventions to be considered in the context of this SECAP for the management of social and environmental issues include the following:
122. Ensuring transparent and inclusive project management in planning, beneficiary selection, implementation, monitoring and evaluation, and in the establishment of linkages between smallholders and off-takers/out-growers, as a means to effectively avoid elite capture and ensure beneficial outcomes for all relevant stakeholders.
123. Assessing the entry, performance and sustainability barriers faced by different target groups in all IFAD supported interventions and establishing measures to address them.
124. Understanding the heterogeneity of youth will be crucial to promote inclusive youth empowerment; focusing on the increased involvement of rural youth as beneficiaries, entrepreneurs, and service providers, as well as in value chains.
125. Employing gender sensitive approaches to promote women's empowerment and address gender inequality, promote economic empowerment of women of different ages in project interventions, facilitate women's access to productive resources, and equitable decision-making and reduced workloads for women.
126. Promoting participatory and inclusive local development planning and project implementation. Ensuring that the voices of youth and women are heard, and their interests and needs considered constitutes the foundation to instil socially inclusive local development.
127. To increase crop productivity in the face of environmental degradation and climate change, it is recommended that investments are aligned with the country's NDCs, LDN and NBSAP targets. Interventions should include SLM and climate smart practices such as soil and water conservation measures, agroforestry, conservation

- tillage, soil fertility management, micro-irrigation, and utilisation of climate and weather information. The livestock sector will need focused investments in fodder production, selective breeding, water access, rangeland management and stock control to reduce rangeland degradation caused by overgrazing and overstocking. Investments in animal husbandry, selective breeding, quality feed, herd management, and manure management will improve livestock performance and contribute to GHGs emissions reduction.
128. Given the country's vulnerability to climate change and extreme weather events, the selection of crop varieties and livestock species will need to be informed by their adaptability to local climatic conditions. The promotion of intercropping, crop diversification, drought tolerant and early maturing crop varieties (common staples such as beans), should be given consideration, especially in the Eastern parts of country. Investments in irrigation will be key to increasing productivity in the crop and livestock sectors, particularly in the drier regions, will stimulate increased production of horticultural products and will increase farmers' incomes.
 129. Opportunities to enhance climate adaptation and mitigation actions in line with the NDCs can be pursued along value chains at production, post harvest, processing, and marketing stages. Interventions could include the promotion of renewable energy options, energy efficiency, post harvest loss reduction, and water efficient technologies. Climate proofing rural infrastructure, such as irrigation schemes and dams, could also be considered as a means to enhance productivity and climate resilience.
 130. Investments to reduce environmental degradation at a landscape level will be made through community-based approaches coordinated through chiefdoms and could include soil erosion control measures, reforestation, wetlands restoration, agroforestry, and rangelands management.
 131. Climate finance for Eswatini is likely to come in through the GEF 8, GCF, and the Adaptation Fund. The supplementary funds will be blended into the loan portfolio and finance specific interventions around key focal areas, namely, biodiversity conservation and ecosystem management, climate mitigation and adaptation, climate resilience, and sustainable land management. The GEF 8 cycle may offer an opportunity to co-finance the planned new loan investment and should be pursued. The GCF also offers potential for providing climate financing for new operations. The country has not yet accessed funds from the Adaptation Fund and this could be another potential source of financing to explore under IFAD 12. Partnership building with the private sector and financial institutions will be key to leverage additional co-financing and to promote climate focused financial products.
 132. **Geographic targeting.** The COSOP will be national in scope but will be based on the clustering of beneficiaries in specific localities. Special attention will be paid to regions and chiefdoms offering suitable agroecological and market conditions to enable resource constrained smallholders to engage in commercially viable, profitable and sustainable income generating activities. Locations with high poverty rates, but with potential for the establishment of multiple, coordinated investments and linkages between out-growers and/or off-takers, will be prioritised.
 133. **Direct targeting of beneficiaries.** The focus of IFAD support will be on three target groups. The first of these (Category 1.) will consist of micro and small entrepreneurs that need either or technical and financial assistance to become sustainable commercial farmers (10-20%). The second (Category 2.) will be households who already meet their minimal needs but who remain vulnerable to exogenous shocks and require assistance to build resilience into their farming systems and to support them to become commercially productive (40-60%). The third group (Category 3.) will comprise poor, resource constrained rural smallholders and peri-urban dwellers in need of support to strengthen their resilience and food and nutrition security (20-30%) with interventions mostly

around production for households to become food secure. Beneficiaries in each of these categories will include men and women of different ages, women headed households, people living with HIV, and people with disabilities. The exact number of vulnerable households supported will be determined by their prevalence in the community and projects will work in close contact with PLHIV support groups and PWD associations in this process.

134. The COSOP will target approximately 52,000 individuals and will thus have the potential to reach about 318,000 beneficiaries, based on an average rural HH size of six.
135. Interventions in support of PLHIVs will include those aimed at improving nutrition and at sensitizing communities to minimize the stigmatization which restricts access to gainful employment. Interventions will also target child headed households and households where elderly people have had to assume responsibility for parenting orphans.
136. The targeting quotas of PWDs, and the forms of intervention introduced, will be informed by the type and prevalence of disabilities in a project area⁴⁶. Greater social inclusion will be achieved by identifying points along the value chain where PWDs can be integrated into agricultural value chains.

Table 1: Targeting figures

Project	Direct Beneficiaries	Employees (x1.5) approx	Total
Finclude	18,500	9,000	27,500
SAPEMP	17,000	7,500	24,500
TOTAL	35,500	16,500	52,000

137. Investments under this COSOP will focus on poor and entrepreneurial households in Category 2, who need to build their productivity, income and resilience. However, investments will also provide support to poorer food insecure members of target communities to address their essential needs. Micro and small entrepreneurs will be targeted to attract or further develop local markets for specific products and thus support the commercial engagement of smallholders in profitable markets. The proportions allocated to each category reflect the socio-economic stratification of the country's population. In each project differentiated support packages will be designed considering the specific situation of each target group and opportunities confirmed by each project. Participatory planning and community involvement will assure that expected targeting strategies for each project are duly implemented, and in all cases avoid elite capture. Efforts will be made to offer opportunities to both younger and older youth, striving for proportionality.
138. **Targeting measures.** Targeting measures to be considered under all projects and programmes include direct targeting, together with enabling, empowering, procedural and operational measures.
139. *Direct targeting measures* will include the establishment of quotas for the participation of women and youth participation between 40 – 60% (depending on the intervention); ensuring that interventions respond to the needs and priorities of beneficiaries and align with their capacities.
140. *Enabling measures* will be introduced to equip management staff and service providers to effectively manage socially inclusive programmes and projects.
141. *Empowering measures* will include the integration, throughout the project cycle, of community members who are generally excluded from decision making and broader development processes (the poor, women, youth and PWDs).

142. *Procedural measures* will be integrated to ensure that all potential beneficiaries are able to take advantage of opportunities supported under this COSOP and that all processes are fair, participatory, inclusive, and transparent.
143. *Operational measures* will aim to ensure that staff engaged in programmes and projects have the necessary expertise, experience and ability to effectively manage the social and environmental issues outlined in this SECAP.
144. Projects under this COSOP will develop Grievance Redress Mechanisms based on existing government systems.
145. All IFAD investments will actively discourage the use of child labour in agriculture as a form of paid or unpaid employment.
146. IFAD has a no tolerance policy on sexual harassment as well as sexual exploitation and abuse and will ensure that this is communicated to project implementers and beneficiaries.

Monitoring and Evaluation

147. This COSOP will place considerable emphasis on the design and implementation of robust results-based M&E systems. This will include the establishment of baselines prior to the commencement of project interventions, beneficiary surveys, and agreement on indicators and targets between all implementing partners. Geo-spatial tools and digital systems will be used to augment conventional M&E methods.
148. Intervention specific indicators will be identified and used to monitor the social and environmentally relevant activities. Monitoring responsibilities will be assigned to specific units, which will be guided by schedules setting out the format and frequency of monitoring activities.
149. Beneficiaries will be involved in the selection of indicators through participatory processes and, where appropriate, in the monitoring of interventions an approach which under SMLP has proven to be effective in building local ownership of interventions. Such interactions will be integral to the stakeholder consultation plans developed for each project.
150. Quantitative M&E data will be augmented by qualitative studies to deepen understanding of the factors that might progress or constrain the impact of project interventions.

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References

Agreement at completion point

Agreement at Completion Point

A. Introduction

1. This is the first country strategy and programme evaluation (CSPE) in the Kingdom of Eswatini, conducted by FAD's Independent Office of Evaluation (IOE). The CSPE aimed at: (i) assessing the results and performance of the IFAD strategy and programme in Eswatini; and (ii) generating findings and recommendations for the future partnership between IFAD and the Government of Eswatini for enhanced development effectiveness and rural poverty alleviation. Furthermore, the CSPE also intended to inform the formulation of the third Eswatini results based COSOP, under elaboration in 2021.
2. The CSPE covered the period 2000-2021 and assessed the four IFAD strategic documents developed for the country and the performance of the four lending operations and of the non-lending activities implemented over two decades. The CSPE also analysed the role and contribution of IFAD and the Government to the design and management of the overall country programme.
3. This agreement at completion point (ACP) contains recommendations based on the evaluation findings presented in the CSPE report, as well as proposed follow-up actions as agreed on by IFAD and the Government of Eswatini. The ACP is signed by the Government of Eswatini (represented by the Principal Secretary for the Ministry of Finance) and IFAD Management (represented by the Associate Vice-President of the Programme Management Department). The signed ACP is an integral part of the CSPE report in which the evaluation findings are presented in detail, and submitted to the IFAD Executive Board as an annex to the new country strategic opportunities programme (COSOP) for the Kingdom of Eswatini. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the IFAD Management.

B. Recommendations and proposed follow-up actions

4. **Recommendation 1. IFAD should address through its strategy and programme in Eswatini the fundamental constraints that prevent rural smallholder producers, women and youth, from achieving more sustainable livelihoods.** Most prominent issues that require attention include access to land, dependency on imported inputs for agriculture and livestock, and strengthening and empowerment of producers' organizations in both irrigated and rain-fed agriculture.
5. **Proposed follow-up:** The draft COSOP (2022-2027) recognises women and youth as well as other vulnerable groups such as people living with disabilities as particularly important target groups for current and future projects. Projects under this COSOP such as the Financial Inclusion and Cluster Development Project (FINCLUDE) and the new concept that is under elaboration identify not only innovative strategies to target these groups but also differentiated support to enhance their income earning opportunities and ensure sustainability of their livelihoods. Lessons from the ongoing country programme have provided a better understanding of the profiles and needs of youth, which better informs targeting and retention of this group. Youth interventions in the current programme include SMLP's engagement of a specific youth business development service provider to identify concrete entry points for youth in agricultural value chains. FINCLUDE developed a detailed analysis of the youth dividing them by gender and into

younger (15-25 years old) and older (26-35 years old) youth to design more tailor-made support. The FINCLUDE youth communication strategy is focused on changing the mind-set of youth and to stimulate interest in agriculture and related enterprises. Furthermore, the new COSOP recognises the importance of skilling of the youth to enable them to participate gainfully in their enterprises of choice. The Eswatini country programme continues building on these approaches with specific interventions that support the interests and talents of the youth.

5. The issue of women and youth's access to land in rural Eswatini has been identified in the draft COSOP as one of the focus areas for policy engagement. Initiatives towards increasing women and youth's access to land will include work with Chiefdom Development Planning structures at project inception on models and best practices on women and youth's access to agricultural land. The Smallholder Market-led Project and Climate-Smart Agriculture for Resilient Livelihoods (SMLP-CSARL) addressed issues of access to land through the Chief's letters of consent and mapping of land resources using GIS and remote sensing has helped the project identify land use systems, natural resources and land degradation hot spots, thus assisting chiefdoms in the allocation of land. Opportunity to scale up these innovations and to increase land access for youth and women will be explored in the new project.
7. Addressing the dependence on imported inputs is an important consideration for the new design. The findings of the Government of Eswatini-commissioned Commodity Sector Development Plan value chain studies, ongoing consultations with national stakeholders and analysis of current supply chains for inputs will inform specific interventions in this regard.
8. Capacity building for smallholder producers and their integration in the value chains is a key focus of the COSOP. The cluster approach under the FINCLUDE project is a way to organize producers, which is beginning to show some early results. Lessons from this approach will be used in the design future interventions. The new design takes farmer organisation to the next step by taking a value chain approach and seeking to address constraints along the entire commodity value chain to facilitate expansion opportunities for smallholder producers.

Responsible partners: IFAD, the Government of Eswatini and Project teams

Timeline: Ongoing until end of the new COSOP 2027.

9. **Recommendation 2. IFAD should further engage, at a minimum in an advocacy and advisory role, in addressing the emerging threats to the livelihoods of smallholder producers who have their holdings in the LUSIP I PDA.** IFAD and the Government should collaborate to develop a programme aimed at tackling the challenges faced by the producers of irrigated sugar cane and other crops in the LUSIP I PDA, so as to avoid the collapse of the scheme and of the livelihoods of those who depend on it. The programme development should be followed by an effort to leverage resources for its implementation.
10. **Proposed follow-up:** The Government of Eswatini and IFAD will undertake an in-depth evaluation of the obtaining situation with regards to challenges faced by the producers of irrigated sugar cane and other crops in the LUSIP I PDA. Based on the evaluation, specific interventions will be designed to improve economic viability for the beneficiaries and technical capacity for management of the associated infrastructure. Actions will include linking the farmers who have their holdings in the LUSIP I PDA with new agricultural programmes for sustainability of the scheme and livelihoods of those who depend on it.

Responsible partners: The Government of Eswatini and IFAD

Timeline: By December 2023.

11. **Recommendation 3. IFAD and the Government of Eswatini, drawing on the rich lessons learned over time, should define which are the most efficient and effective implementation arrangements for their joint initiatives, that will also allow smallholder producers to benefit the most.** The thrust of this recommendation entails an explicit discussion with the Government about the advantages and disadvantages of the various implementation arrangements deployed so far, to identify what will be the best approach that maximises positive results for the intended target population. The currently on-going projects represent an opportunity for contributing to the development of an efficient and effective model of collaboration across Government-level organizations, parastatals and other stakeholders.

12. **Proposed follow-up:** In development of the new design of and future projects, IFAD and the government of Eswatini will review the implementation arrangements of the current and previous projects and design a robust structure to improve delivery and overall efficiency. IFAD and the government of Eswatini will organize a workshop to discuss the implementation arrangements of past and current projects considering various aspects such as effectiveness, sustainability, technological and methodological innovations as well as value for money, to identify aspects in each model that can be incorporated in new projects and those that need to be improved. Outcomes of the workshop will inform more effective and relevant implementation arrangements for the new and future projects to ensure efficient implementation to the end that smallholder producers including men, women, youth obtain sustainable benefits.

Responsible partners: The Government of Eswatini and IFAD

Timeline: The workshop will be conducted by July 2022.

13. **Recommendation 4. Project monitoring and evaluation systems and procurement units should be considered fundamental pillars of project management and be adequately staffed and capacitated to perform in an effective and efficient manner.** IFAD should continue to provide enhanced support on these topics during implementation, while project management units should ensure the necessary follow-up. The project M&E systems should also consider including indicators that contribute to the Government's own databases.

14. **Proposed follow-up:** To improve monitoring and evaluation (M&E) systems and practices IFAD is taking a two-pronged approach of i) strengthening national capacities in M&E through increased technical support and adequate staffing of M&E units; and ii) focusing on improving M&E systems and tools. From project inception, competent M&E staff will be recruited with attention to the adequacy of staffing in each M&E unit including relevant data management support staff. On capacity strengthening, IFAD will continue to invest in early and ongoing capacity building, rolled out through highly competent consultants that are made available for ongoing implementation support; as well as trainings and workshops which are provided periodically and as needed. IFAD also facilitates learning and exchange of best practices and innovation in M&E with other countries through south-south-triangular cooperation. Currently a collaboration between FINCLUDE and the Rural Enterprise and Remittances Project (RERP) project in Nepal introduced the Innovative digital farmer diary tool for participatory monitoring and collection of production-related data. The tool also facilitates improved frequency, timeliness, accuracy and management of farm-level data. Additionally, the current country programme introduced M&E innovations which include geotagged M&E data. Recognising that a link between project and government M&E systems is not

Intuitive, going forward IFAD and government will collaborate more closely for a more deliberate link for sustainability and to support agriculture information systems at government level. The collaboration with government will also provide an opportunity for improving quality and timeliness of data.

- 15. To improve procurement processes, in 2020 IFAD migrated to an online system NOTUS which has greatly increased efficiency and minimised mistakes. To ensure that procurement processes are not needlessly protracted, IFAD conducts regular follow-up of the implementation of the procurement plans and provides continuous technical support and capacity building. The recruitment of qualified and competent staff will be supported by staff retention systems to ensure that the developed capacities continue to benefit the country programme without procurement staffing gaps that slow-down implementation progress.

Responsible partners: IFAD, the Government of Eswatini and the project teams

Timeline: Ongoing until end of the new COSOP 2027

Signed by:

Ms Sizakele P. Dlamini

Principal Secretary for the Ministry of Finance in the Kingdom of Eswatini

_____  Date: 04/03/22

and

Mr Donal Brown

Associate Vice-President

Programme Management Department

International Fund for Agricultural Development

_____  Date: 10/03/2022



COSOP preparation process

1. The preparation of the COSOP was delayed by two events: the first was the restriction on travel imposed in the first half of 2021 by the COVID lockdown, and the second was a mid-year restriction on travel imposed as result of civil unrest. Notwithstanding these two constraints, the development process was able to proceed, albeit in two phases. The first phase ran from 19 April to 31 May 2021 and consisted of a review of key policy, strategy, and programme documents together with consultation with a wide range of stakeholders including key government ministries (Ministry of Agriculture, Ministry of Tinkhundla and Administration and the Ministry of Tourism and Environmental Affairs), UN partner agencies in Eswatini (FAO and WFP), IFAD project personnel in Eswatini (SMLP and FINCLUDE), representatives from relevant private sector organisations and financing institutions. The objective of this phase 1 was to gather contextual information on the status of rural development and rural poverty in Eswatini to inform the strategic direction and objectives of the COSOP. The development of the COSOP was initiated concurrently with the development of the Country Strategy and Programme Evaluation.
2. Due to the restrictions in place at the time, all consultations were conducted virtually using online conferencing platforms. The minutes of meetings were recorded to ensure that all stakeholder inputs were taken into consideration in the development of the COSOP. A participatory approach was adopted to elicit input from key stakeholders in the public and private sectors and to ensure their buy-in for the new COSOP. The stakeholders engaged in the consultation process are listed in table 1. The COSOP drafting began soon after the first phase of consultations and continued until 30 June 2021 and a first (internal) was produced on 31 July 2021.
3. The second phase of the COSOP preparation process commenced in October 2021. This consisted of an in-country mission to Eswatini and further consultations with key government partners and other key stakeholders (donor agencies, private sector organisations, community-based organisations etc.) who have previously partnered with IFAD in the delivery of programmes or who may do so in future. Focus Group Discussions were also held with farmers (women, men, and youth) and with the local Community Development Committee in the Nceka district. This was augmented by a series of on-line interviews in instances where it was not possible to consult with stakeholders in person. A formal draft of the COSOP was completed on 2 December 2021.
4. The UN-RC and UNCT were consulted during the preparation of this COSOP. The UN-RC endorsed the COSOP and commended its alignment to the UNSDCF, particularly in terms of the strategic objectives/target groups and with the outcomes as outlined under Results Group 4 in the UNSDCF.
5. **Formulation team.** Ms Jaana Keitaanranta - CD & Team Leader (IFAD, ESA); Mr Chris Tapscott (Rural Development Specialist and Lead Consultant); Mr Munhamo Chisvo (Rural Development Specialist); Ms Chiqui Arregui (Social Inclusion and Community Development Specialist); and Ms Farai Gwelo (Knowledge Management, Policy Engagement and Nutrition Specialist, consultant); Ms Edith Kirumba (Climate, Environment and Safeguards Specialist (IFAD, ECG)), Ms Joyce Njoro (Nutrition and Social Inclusion Specialist, IFAD, ECG); Mr Alessandro Neroni (Procurement Specialist, IFAD); Mr Julian Astarloa (Global Engagement, Partnerships and Resource Mobilization Specialist, IFAD), Mr Carlo Spinello (Financial Management Specialist, IFAD).

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Strategic partnerships

<i>Partnering Functions</i>	<i>Partners/Networks/ Platforms</i>	<i>Specific Results and Outcomes from Partnership</i>	<i>Justification for Partnership</i>	<i>Monitoring and Reporting (to be completed for CRR and CCR)</i>
Mobilize co-financing	<ul style="list-style-type: none"> AfDB, World Bank, EU 	<ul style="list-style-type: none"> Co-financing of agricultural sector commodity plan agreements Analytical work 	Synergy and increased coverage	
	<ul style="list-style-type: none"> FAO 	<ul style="list-style-type: none"> Financial support to farmers and other VC players 	Support Government and private sector to implement the agricultural sector commodity agreements	
	<ul style="list-style-type: none"> MTEA, GEF, GCF 	<ul style="list-style-type: none"> Promote green financial inclusion Climate proofing farming and processing 	Mobilisation of climate funds	
	<ul style="list-style-type: none"> MoA, CIP, DARS 	<ul style="list-style-type: none"> Dissemination of new OFSP varieties in Eswatini 	New varieties of sweet potatoes	
	<ul style="list-style-type: none"> OPEC Fund 	<ul style="list-style-type: none"> Infrastructure development 	Infrastructure development	
Strengthening private sector engagement	<ul style="list-style-type: none"> Renewable energy firms 	<ul style="list-style-type: none"> Supply green technologies for crop and livestock production, processing and transportation to markets Train farmers and processors on their use 	Environmental sustainability	
	<ul style="list-style-type: none"> National Maize Corporation 	<ul style="list-style-type: none"> Provide market for legume producers Store and sell grains to farmers for on-farm feed processing 	Guarantee market for farmers	
	<ul style="list-style-type: none"> NAMBOARD 	<ul style="list-style-type: none"> Offer supply agreements to horticultural farmers Train horticultural farmers on Good Agricultural Practices (GAP) including post-harvest management. Offer extension support Support farmer groups 	Extension support and market access strengthened	
Engaging in policy and influencing development agendas	<ul style="list-style-type: none"> Ministry of Agriculture ESNAU FAO 	<ul style="list-style-type: none"> Commercialisation of smallholder agriculture Catalysing the role of women, youth, PLHIV, PWD in rural transformation policy setting Women and youth's access to land 	Enhance social inclusion, and access by the rural poor and marginalised to productive resources (including land, finance and machinery for production and processing)	
Enabling coordinated country-led processes	<ul style="list-style-type: none"> FAO, WFP 	<ul style="list-style-type: none"> Align to national development priorities Generate evidence and avail global good practices to improve national development policies and plans Complement government efforts in market-oriented production, small-scale irrigation, marketing infrastructure 	Enhanced coordination and synergy with government efforts	
	<ul style="list-style-type: none"> Ministry of Health and Eswatini National Nutrition Council 	<ul style="list-style-type: none"> Creating environment for the provision of food and nutrition services in project areas Nutrition-sensitive value-chains 	Mainstreaming nutrition security	
	<ul style="list-style-type: none"> Ministry of Agriculture ESWADE CFI 	<ul style="list-style-type: none"> Strengthen policies for commercialisation of agriculture 	Implementation of project interventions and policy dialogue support	

<i>Partnering Functions</i>	<i>Partners/Networks/ Platforms</i>	<i>Specific Results and Outcomes from Partnership</i>	<i>Justification for Partnership</i>	<i>Monitoring and Reporting (to be completed for CRR and CCR)</i>
	<ul style="list-style-type: none"> Eswatini National Agricultural Union NAMBoard / SEDCO / FINCORP 	<ul style="list-style-type: none"> Support farmer clusters and group development through national policy Ensure farmer groups/associations participate in the formulation of agricultural policies and legislation Enhance market linkages for farmers through national policies / programmes Pack houses 	Improve farmer access to markets	
	<ul style="list-style-type: none"> The Ministry of Finance Ministry of Tinkhundla Administration and Development Ministry of Economic Development Ministry of Tourism and Environmental Affairs ESWADE CFI ESNAU NAMBoard. 	<ul style="list-style-type: none"> Align to national development priorities Generate evidence and avail global good practices to improve national development policies and plans 	Enhanced coordination and synergy with government efforts	
Enabling coordinated country-led processes	<ul style="list-style-type: none"> FAO, WFP 	<ul style="list-style-type: none"> Align to national development priorities Generate evidence and avail global good practices to improve national development policies and plans Complement government efforts in market-oriented production, small-scale irrigation, marketing infrastructure 	Enhanced coordination and synergy with government efforts	
Developing and Brokering Knowledge and Innovation	<ul style="list-style-type: none"> CIP, DARS 	<ul style="list-style-type: none"> Generate and share technologies, innovations and good practices (improved breeds, climate-sensitive farming, improved NRM, water-harvesting, processing and storage) 	Strengthen learning culture, resilience, productivity	

South-South and Triangular Cooperation strategy

I. Introduction

1. South-South and Triangular Cooperation (SSTC) is recognized as a key area of work in IFAD's Strategic Framework 2016-2025 and a priority area for the Eleventh and Twelve Replenishment of IFAD's Resources (IFAD 11 and IFAD12). The elaboration of the SSTC approach in this COSOP was prepared in collaboration with the SSTC Unit in the Global Engagement, Partnership and Resource Mobilization Division in IFAD, IFAD's South Africa hub and the Government of Eswatini. This annex summarizes the main points captured.

II. Opportunities for rural development investment promotion and technical exchanges

2. The Government of Eswatini is already active in SSTC activities and has expressed its willingness to further pursue such activities in the new COSOP period.
3. Illustrative of this interest the Government's participation in a workshop entitled "Inclusive value chains bringing prosperity to rural areas –experiences from Eswatini, Brazil, Cambodia and China" which took place in April 2021. The workshop presented an opportunity to share knowledge and experiences on successes, lessons learned and innovations in indigenous chicken, pig, and goat value chains in the different countries.
4. The country has also signed a number of Memoranda of Understanding (MOUs) and agreements, which are at different stages of implementation. In collaboration with the World Vegetable Centre, Eswatini is implementing the Taiwan-Africa Vegetable Initiative (TAVI), which aims to safeguard vegetable biodiversity for food & nutrition security in Africa. It is a three-year project to make use of and conserve African vegetable biodiversity to address malnutrition by increasing the production and consumption of nutritious vegetables.
5. There have been several examples of international collaboration, including the following: are the Seed Potato Production Project, the King's Dairy Farm—Royal Corporation Assistance Project and the Sweet Potato Production and Marketing Project, all of which are supported by the Taiwan International Cooperation and Development Fund. The Seed Potato Production Project established a seed potato propagation system, a seed potato inspection and certification system, and a seed potato supply system. The King's Dairy Farm—Royal Corporation Assistance Project provided technical assistance at the king's dairy farm in cooperation with the King's Office in Masundvini and the Sweet Potato Production and Marketing Project assisted farmers to launch farmers' associations and to establish a marketing strategy that can be transferred to farmers, thereby ensuring that the operations of the project remain sustainable.
6. Additionally, there are numerous cooperation projects in the agricultural sector that have been proposed with a number of countries namely: Angola, Algeria, Argentina, Belarus, Botswana, DRC, Egypt, Iran, Libya, Malawi, Mozambique, Republic of Korea, Russia, South Sudan, and Zambia (TBC).

III.SSTC engagement rationale

7. Eswatini recognizes and appreciates the comparative advantage provided by working with IFAD, which offers access to a wide range of experiences, lessons and knowledge from other countries in the African continent and globally.
8. During the COSOP consultations, SSTC was identified as an important mechanism to create new linkages among countries that share or have shared similar

challenges, to exchange knowledge, technologies and innovative solutions and to build mutually beneficial capacities and sustainable long-term relationships. While there are already many SSTC activities in place, Eswatini, for the initial part of the COSOP period, will be more of a recipient than a provider in SSTC relationships. As it strengthens its engagement in this modality, the Government will explore ways of sharing lessons learned and knowledge with other countries in the region and further afield.

9. In the context of the present COSOP, IFAD will support Eswatini in the implementation of its SSTC activities, in particular with the support of the South Africa Regional Hub as well as the established SSTC and Knowledge Center in Addis Ababa (Ethiopia). Additionally, the network of contacts and experience of the Global Engagement, Partnership and Resource Mobilization Division (GPR) will greatly assist the implementation of the SSTC related activities.

IV. Partnerships and initiatives

10. The identification of concrete SSTC activities will continue during the entire COSOP period. During the consultation process, representatives of the Eswatini Government expressed an interest in SSTC activities focusing on agricultural production technologies, strengthening livestock value chains, fisheries, food processing and value addition for agricultural produce, creation of market linkages, innovations around food security, water management and climate resilience. In addition, Eswatini is keen on learning from good practices on implementation such as M&E, capacity development, knowledge management, procurement and targeting.
11. Based on the consultations and the above-mentioned areas of focus, different strategies will be implemented:
 - a) **Interactions and exchange with IFAD funded projects** with good practices in the prioritized areas or in the same phase of implementation and struggling with similar issues. Some already identified programmes and areas of focus are: i) the Zimbabwe country programme (irrigation and water management, climate change adaptation); ii) Mozambique country programme (nutrition mainstreaming); and iii) Rwanda country programme (smallholder irrigation technologies, good agricultural practices, value addition); iv) Nepal country programme (Cluster development).
 - b) **Experience and knowledge exchange with projects funded by other donors.** As part of its strategic partnership building, the IFAD country programme in Eswatini is constantly exploring innovations and best practices in Eswatini and neighbouring countries, which could be the subject of knowledge exchanges. Among such projects/programmes are included the multi-country FoodStart programme by International Potato Centre (CIP) implemented in Eswatini, Mozambique, Madagascar, Rwanda and Tanzania focusing on use of roots and tuber crops both for food security and for income generation. As part of experience and knowledge exchange, lesson sharing and exchange of good practices will be promoted with a special focus on youth and methods of communication that will attract the youth to agricultural and rural enterprise development. This may include incentives to increase youth participation and involvement.
 - c) **Bilateral partners.** Deepening collaboration with existing bilateral partners, and concluding the negotiations to engage in exchanges on key areas such as food processing (Egypt), rural technology (China, India, Indonesia), rural water (India, Namibia), Nutrition (India, Brazil) and Climate issues (South Africa).

V. Conclusion

12. The new COSOP offers considerable opportunity for Eswatini to advance its SSTC agenda in a more structured and results oriented manner. The Government is aware of the considerable number of good practices and new technologies that other countries have to offer and is keen to acquire outside knowledge in areas that are emerging as development priorities for the country.
13. Eswatini is currently primarily a recipient of support in the SSTC partnerships. However, with progression of its development programmes, the country will be able to leverage its experiences and serve as a provider of knowledge and best practices, sharing its own experience lifting its youth, women, and men out of poverty through agriculture and rural transformation. The experiences of the SMLP in organising community-based development plans, in particular, would be of interest to many developing countries.

Country at a glance

Country Portfolio Summary

Region	East & Southern Africa	Member of Country Groups :	
Country	Eswatini	Least Developed country	No
Current Financing Terms	Ordinary	Low-income, food deficit	No
Ranking all Countries	77	HIPC DI Eligible	No
Ranking within region	15		

Country Indicator	Value	Year	Source
Agriculture, value added (% of GDP)	0.00	2017	World Bank
GNI per capita, Atlas method (current US\$)	2,960.00	2017	World Bank
Human development index (HDI) value	0.59	2017	UNDP
Population, total	1,367,254.00	2017	World Bank
Rural population	1,044,240.00	2017	World Bank

Key Dates	
Last RB-COSOP Approved AVP/PMD	
First Project Approved	21 Apr 1983
Last Project Approved	21 Jul 2018

IFAD Interventions	Number of Projects	IFAD Approved USD ('000)
Available for Disbursement	2	19,050
Financial Closure	4	34,260
Total IFAD commitment	6	53,310

IFAD Interventions Summary								
Project Number	Financing Instrument ID	Currency	Approved Amount	Disbursed	Loan/Grant Status	Project Status	Board Approval	Cooperating Institution
1100000121	1000001978	XDR	5,700,000	97%	Fully Repaid	Closed	21 Apr 1983	AFDB
1100000323	1000002202	XDR	5,100,000	87%	Fully Repaid	Closed	06 Apr 1993	AFDB
1100001159	1000002480	XDR	11,900,000	92%	Closed	Closed	06 Dec 2001	IFAD_NB
1100001373	1000002790	USD	200,000	90%	Closed	Closed	17 Dec 2008	IFAD
1100001373	1000003263	XDR	4,050,000	86%	Closed	Closed	17 Dec 2008	IFAD
1100001665	2000001127	XDR	360,000	74%	Disbursable	Disbursable	22 Apr 2015	IFAD
1100001665	2000001126	EUR	8,550,000	56%	Disbursable	Disbursable	22 Apr 2015	IFAD
2000001804	2000002471	USD	8,950,000	31%	Disbursable	Disbursable	21 Jul 2018	IFAD

Projects in Pipeline		
Current Phase	Number of Projects	IFAD Proposed Financing USD ('000)
Total	0	0

Financial management issues summary

COUNTRY	Eswatini	COSOP	Programme: 2022-2027
A. COUNTRY PORTFOLIO PERFORMANCE			
Country – FM KPIs:			
<i>FM Inherent Risk:</i>	Substantial	<p>Governance.</p> <ul style="list-style-type: none"> The inherent country risk is deemed <i>substantial</i>. In 2020, the <i>Transparency International</i> score of Eswatini was 33 (substantial risk) which places the country in 117th position (declining vs 2018) out of 179 countries. According to the <i>Mo Ibrahim Index (2019)</i>, measuring governance performance Eswatini is a medium policy performer. Eswatini ranked 37 out of 55 African countries showing a slow improvement trend in the last decade, including the sub-dimension Accountability & Transparency and Anti-corruption. The Government has put in place national and sectoral policy and legal frameworks conducive to good governance and respect for human rights. These include the <i>Public Finance Management Act (2017)</i>, the <i>National Anti-corruption Policy (2012)</i>, the Promulgation of the <i>Small Claim Court Act (2012)</i>, and the <i>Sexual Offences and Domestic Act (2018)</i>; as well as establishment of the <i>Anti-Corruption Commission</i>, and the <i>Commission for Human Rights and Public Administration</i> and the <i>Public Service Procurement Unit</i>. <p>Public Financial Management (PFM)⁴⁷.</p> <ul style="list-style-type: none"> The last PEFA (2011) identified PFM challenges on planning, forecasting and commitment control, cash management, and weaknesses in the procurement system. Eswatini promulgated a new Public Finance Management Act in 2017. In 2018, the AfDB's <i>Country Policy and Institutional Assessment</i> (CPIA) maintained the same score as in 2014 on PFM noting only marginal improvements on transparency and accountability. In 2019, the AfDB's <i>Country Fiduciary Risk Assessment</i> (CFRA) rated as <i>substantial</i> the inherent fiduciary risk associated with the use of national PFM system to administer aid funds. Government embarked on implementing the Integrated Financial Management Information System (IFMIS) with the support of the EU and the World Bank as 	
<i>Country Disbursement Ratio (rolling-year)</i>	20.4%		
<i>Outstanding Ineligible Expenditure</i>	none		
<i>Outstanding Advances (Projects in Expired Status)</i>	none		
<i>Applicable PBAS cycle:</i>	IFAD12		
<i>PBAS draft allocation</i>	USD 9.07 million		
<i>IFAD12:</i>			
<i>PBAS allocation IFAD11:</i>	-		
<i>Pledge IFAD12:</i>	USD 40 k		
<i>Pledge IFAD11:</i>	USD 25 k (paid)		
Debt sustainability⁴⁸.			
<ul style="list-style-type: none"> Eswatini has no access to external financial markets, and external debt is mostly in the form of concessional loans from multilateral lenders for development projects; With external financing limited to project loans, rising gross financing needs have resulted in a rise in the share of domestic debt from about 48% of total public debt in FY15/16 to about 68% in FY19/20, including central bank advances and domestic arrears. The COVID-19 pandemic has magnified Eswatini's existing economic and social challenges, leading to a sharp decline in growth and large financing needs. To address the urgent financing needs to mitigate the economic and social impacts of COVID-19, the country received: - US\$106.9 million under the IMF Rapid Financing Instrument (RFI); - US\$6 million as IDA loan. Inflation is expected to increase to 4.1% in 2020 as temporary inflation pressures from the depreciation of the exchange rate and rent increases are only partially offset by falling oil prices and economic slack. Beyond the short-term objectives, the authorities remain committed to implement their medium-term fiscal consolidation plan to stabilize public debt and restore fiscal external buffers. As per IMF/WB DSA (07/2021) Eswatini's debt distress is deemed <i>sustainable subject to risks</i>. Public debt is projected below the stress threshold, peaking at around 53 per cent of GDP in FY23/24, 			

before starting to decline.	part of the effort to improve the management of and accountability for public finances.						
Corporate Disbursement Ratio Methodology considers ASAP, AFD, IFAD, KFW and SPA financing sources only.							
CURRENT LENDING TERMS	PBAS11 on Ordinary terms						
NEXT LENDING TERMS	PBAS12 on Ordinary terms (Category 2) + eligible for BRAM						
B. PORTFOLIO, FM RISK & PERFORMANCE							
Existing Portfolio:							
Project	Financing instrument	FLX Status (2)	Lending Terms	Currency	Amount (million)	%Disbursed	Completion date
SMLP	200000112600	DSBL	ORDINARY TERMS EUR	EUR	8.55	67.98	30/03/2022
	200000112700	DSBL	LOAN COMPONENT GRANTS	XDR	0.36	74.17	30/03/2022
	200000158500	DSBL	ECD GRANTS	USD	7.2	46.99	30/03/2022
	200000387700	DSBL	SUPPLEMENTARY FUNDS GRANTS – (RPSF facility)	USD	0.37	0	30/03/2022
FINCLUDE	200000247100	DSBL	ORDINARY TERMS USD	USD	8.95	30.92	29/09/2025
Project	Project FM Inherent Risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds		
SMLP	Moderate	Moderately Satisfactory	Highly satisfactory	Moderately Unsatisfactory	Satisfactory		
FINCLUDE	Moderate	Moderately Satisfactory	Not Specified ⁴⁹	Moderately Satisfactory	Satisfactory		
Update on On-going Portfolio.							
-SMLP is approaching completion on March 2022 with moderately unsatisfactory disbursement. Low expenditure on Works, due to delays in the procurement process, is expected to lead to project extension.							
-Covid-19 restriction and recent civil unrest (2021) have partially caused a slowdown of implementation at both SMLP and FINCLUDE. Despite this, FINCLUDE, at its 2 nd year of implementation is progressing satisfactorily.							
-Portfolio quality of FM is moderately satisfactory: improvements are mainly needed for realistic budget estimates and monitoring. In order to facilitate this, the upgrade of the accounting software for effective automated reporting must be completed soon.							
Use of Country Systems.							
The fiduciary risk of using national PFM systems for managing externally funded programmes is substantial ⁵⁰ . The implementation of the PFM Act 2017 is still at an early stage with the bulk of the related regulations not yet approved nor issued. Main challenges to country-system dimensions are: (BUDGET) budget credibility is challenged by weak project management, poor commitment controls and growing arrears. (TREASURY) a Treasury Single Account to improve cash management is not in place yet and accounts of donor financed projects are normally excluded from the treasury consolidation process. (ACCOUNTING/REPORTING) current Treasury Accounting System (TAS), which has been operating for several decades, uses outdated technology and does not incorporate an accounts payable module: although ministries prepare quarterly budget to actual comparison reports, Treasury does not consolidate these into a government wide position; donor project accounting is generally conducted outside of the TAS,							

with the concomitant banking independent of Treasury; replacement of TAS by new IFMIS is ongoing. (**AUDIT**) The Auditor General has a constitutional mandate to audit the public accounts of Eswatini for all offices, courts and authorities of the Government. The office is affiliated to the International Organisation of Supreme Audit Institutions-INTOSAI. The audit of state owned enterprises is out-sourced to private audit firms, as is the audit of sub national governments. Some donor-financed projects are audited by the AG's office, although with considerable delays.

However, *on-going IFAD funded projects* (SMLP, FINCLUDE) have managed to maintain a **moderate** fiduciary risk profile by partially aligning to national systems. PMUs are normally established within semi-autonomous government institutions (i.e. ESWADE, CFI) under the aegis of the line Ministry-LPA and follow their procedures, namely:

- staff is a mix of personnel externally recruited as well as seconded by the institution.
- Project budget is mainstreamed in the institution's budget and incorporated in the country's budget system for monitoring. Projects follow both IFAD-GoE guidelines in budget preparation/monitoring. Timelines are not conflicting.
- Project funds are maintained at designated accounts, in USD, at the Central Bank of Eswatini, and transferred first to operating 'call' accounts (earning interests) in LC at a commercial bank, then to operational accounts for payment disposals. It is recommended sharp use of 'call' accounts vs potential deterioration of local-to-foreign currency.
- Accounting is embed in the host institution-LPA accounting system which uses an off-the shelf accounting software (i.e. SUN; AccPacc) and which submits required data to the line ministry to prepare quarterly reports comparing actual expenditure against the budget. Accounting is performed based on IPSAS/IFRS standard, cash basis.
- Project accounts are also aggregated in monthly/quarterly project financial reports for sharing with IFAD/Borrower.
- The internal audit unit of the Institution-LPA is responsible to provide the internal audit service.
- The external audit is carried out by Private firms (ISA standards). However, it will be further explored the capacity of the Office of the Auditor General to cover the audit.
-

New Projects are expected to adopt similar FM arrangements. Main areas of FM risk and relevant mitigating actions are:

- *Risk of lack of FM capacity.* ACTION: Competitive recruitment for key roles at PMU level. Provide orientation and capacity building training for all the PCU finance team (and cascaded at implementing institutions) on IFAD financial management and reporting systems to be carried out by FMD.
- *Risk of low budget credibility arising during implementation.* ACTION: Early start of budget consolidation, sharp scrutiny for realistic estimates, effective budget-module installed to monitor deviations.
- *Risk of inadequate liquidity/idle funds.* ACTION: roll-out IFAD Disbursement Reform
- *Risk of weak financial control over implementation progress.* ACTION: Suitable accounting software in place (including IFMIS customization, where possible), with effective budget module and reporting capacity aligned to IFAD's minimum requirements.
- *Risk of deterioration of local currency.* ACTION: Funds ring-fenced into Special Accounts (USD); sharp use of operational "call" accounts (LC).
- *Risk of timel/adequate external scrutiny.* ACTION: Audit services mainly provided by private firms, further exploration of capacity at National Audit Office.

In particular, IFAD Disbursement Reform, through enhanced *Interim Financial Reporting (IFR)* represent an opportunity to inject realism into budgeting through tighter cash forecasting and effective monitoring of quarterly performance. This will require capacity building through IFAD implementation support/training on FM practices.

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Theory of Change

