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Comments of the Independent Office of Evaluation of IFAD on the Country Strategic Opportunities Programme for the Kingdom of Eswatini

Note to Executive Board representatives

Focal points:

Technical questions:

Indran A. Naidoo

Director
Independent Office of Evaluation of IFAD
Tel.: +39 06 5459 2274
e-mail: i.naidoo@ifad.org

Kouessi Maximin Kodjo

Lead Evaluation Officer
Tel.: +39 06 5459 2249
E-mail: m.kodjo@ifad.org

Dispatch of documentation:

Deirdre Mc Grenra

Chief
Institutional Governance and
Member Relations
Tel.: +39 06 5459 2374
E-mail: gb@ifad.org

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General comments

1. The Independent Office of Evaluation of IFAD (IOE) conducted the first country strategy and programme evaluation (CSPE) for the Kingdom of Eswatini, covering the period 2000 to 2021.
2. The partnership between IFAD and the Government of Eswatini over the period has been constructive and has produced tangible positive results. IFAD-supported strategies and programmes have contributed to implementing national policies and strategies in support of rural smallholder producers. They have addressed a wide range of development challenges and adopted a variety of intervention models. These included: supporting industrial and local value chains; investing in both large- and small-scale irrigation and water management schemes; laying the foundation for a national rural finance system; and providing smallholders with access to financial products suited to their needs.
3. In particular, IFAD's strategies for Eswatini adequately addressed key challenges facing poor rural producers, and the country programme contributed to such major achievements as the development of an inclusive rural finance sector nationwide, the participation of smallholder farmers in a variety of value chains and the promotion of participatory community development.
4. However, the fundamental constraints on achieving sustainable livelihoods and significantly reducing rural poverty were not sufficiently addressed. IFAD made only limited attempts to enhance smallholder producers' self-reliance. Neither did it succeed in giving a stronger voice to producers in value chain innovation platforms; establishing effective water users' associations; promoting more empowering approaches to capacity development; or reducing smallholders' dependence on imported inputs. Also, facilitating access to land for youth and women had only been slightly touched upon at the time the CSPE was undertaken.
5. From the viewpoint of project design and implementation, the most common implementation challenges were limited national capacities in monitoring and evaluation (M&E) and procurement; occasionally insufficient supervision support; and shortcomings in capacity development, which undermined the long-term institutional and technical sustainability of major investments.
6. The CSPE made four recommendations, which were all accepted. These were: (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 include access to land, dependency on imported inputs for agriculture and livestock, and strengthening and empowering producers' organizations in both irrigated and rainfed agriculture; (2) IFAD should further engage, at least in an advocacy and advisory role, in addressing emerging threats to the livelihoods of smallholder producers who have their holdings in the LUSIP I Project Development Area to avoid the collapse of the irrigation scheme and of the livelihoods of those who depend on it; (3) IFAD and the Government of Eswatini 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 currently ongoing projects represent an opportunity to contribute to the development of an efficient and effective model of collaboration across government-level organizations, parastatals and other stakeholders; (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. The project M&E systems should also consider including indicators that contribute to the Government's own databases.
7. The new COSOP 2022-2027 – which defines two strategic objectives and the cross-cutting themes of youth, gender, climate change and nutrition – is fully

aligned with both the Government's and IFAD's strategies and fosters the collaboration model between IFAD and Eswatini. In doing so, it also draws to some extent on the CSPE's recommendations and on the lessons identified by the evaluation. The COSOP is informed by a thorough Social Environment and Climate Assessment Procedures (SECAP) background study – which outlines the strategic orientation on social, environmental and climate change issues in Eswatini for the COSOP period.

Specific comments

8. IOE acknowledges that the new COSOP broadly addresses some of the main recommendation points. These relate to: (a) engaging with youth and women and addressing women's access to land; and (b) ensuring that monitoring and evaluation and procurement systems are fundamental pillars of project design. However, among the domains of policy dialogue, the COSOP explicitly addresses only import substitution. Although important, this is not sufficient to achieve significant results during the COSOP timespan. Neither does the COSOP mention recommendation 2, regarding IFAD's role in identifying solutions to strengthen the sustainability of investments of the sugar cane irrigated production scheme.
9. **Youth and women.** In relation to the first recommendation, the COSOP identifies women and youth as its main intended beneficiaries, with each group representing at least 40 per cent of the target group of IFAD-supported interventions. Nevertheless, as the CSPE pointed out, to achieve a real change in women's role as decision-makers – or at least as contributors to decision-making (in their households, communities and/or groups) – the COSOP should include this aspect explicitly in the theory of change. This remark is also valid for the effective inclusion of youth in value chains. In this respect, the COSOP foresees tailoring support to the specific needs of young women and men of different ages, including training, mentoring and facilitating access to resources and finance with a view to generating decent and sustainable employment.
10. **Monitoring and evaluation systems.** IOE acknowledge the emphasis placed by the COSOP on the design and implementation of effective M&E systems, including the establishment of baselines prior to project interventions, beneficiary surveys, and agreement on indicators and targets by all implementing partners. These measures address a key weakness found by the CSPE in relation to M&E. Geospatial tools and digital systems are also planned to be used in addition to conventional M&E methods. IOE reiterates the need to ensure that all these are effectively implemented, to enable timely identification of lessons learned. As such, related progress indicators could be included in the COSOP results management framework.
11. **Procurement systems.** The COSOP identifies fiduciary procurement as representing a substantial risk and foresees a set of mitigating measures to build capacity through remote or in-country technical assistance and training on project procurement. This will entail: integrating the BUILD PROC programme (developed jointly by IFAD and the International Training Centre of the International Labour) as a strategic tool to build in-country procurement capacity; and including IFAD-financed projects in the corporate No-Objection Tracking Utility System (NOTUS) and contract monitoring tool (CMT) to improve the quality of procurement processes and contract management, respectively.
12. **Challenges related to export-oriented production and irrigation schemes.** IOE also acknowledges that the SECAP study spells out how rural poverty and food insecurity are among the consequences of low productivity and an economy heavily reliant on imports, and therefore exposed to external shocks. The SECAP study identifies the effects of high import prices on rural poverty and resulting dramatic levels of food insecurity; and notes that the Government appears to be open to addressing import substitution. Nevertheless, IFAD's approach still privileges

almost exclusively export-oriented production, despite the shortfalls of this model as a means to alleviate rural poverty in Eswatini. Moreover, IOE underlines the important role that IFAD can play, in support of the Government, in addressing the sustainability challenges faced by the smallholder producers operating in the Lower Usuthu Smallholder Irrigation Project – Phase I area.

Final remarks

13. IOE appreciates that the new COSOP for Eswatini draws to some extent on the findings of the CSPE and addresses its recommendations, as presented above. IOE stresses the importance of addressing directly, through IFAD's interventions, the key constraints that prevent smallholder farmers from achieving food security, including import substitution. However, the suggested approach continues to focus almost exclusively on export-oriented production, despite its limitations as a means to alleviate rural poverty in the country. This deserves further attention by the COSOP. Finally, IOE reiterates the importance of thoroughly analysing the advantages and disadvantages of the various implementation models, keeping in mind the need to maximize positive results for the target population.