

**Rapport du Président****Proposition de prêt****Royaume d'Eswatini****Projet d'amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne**

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**POUR: APPROBATION**

**Mesures à prendre:** Le Conseil d'administration est invité à approuver la recommandation telle qu'elle figure au paragraphe 51.

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**Questions techniques:**

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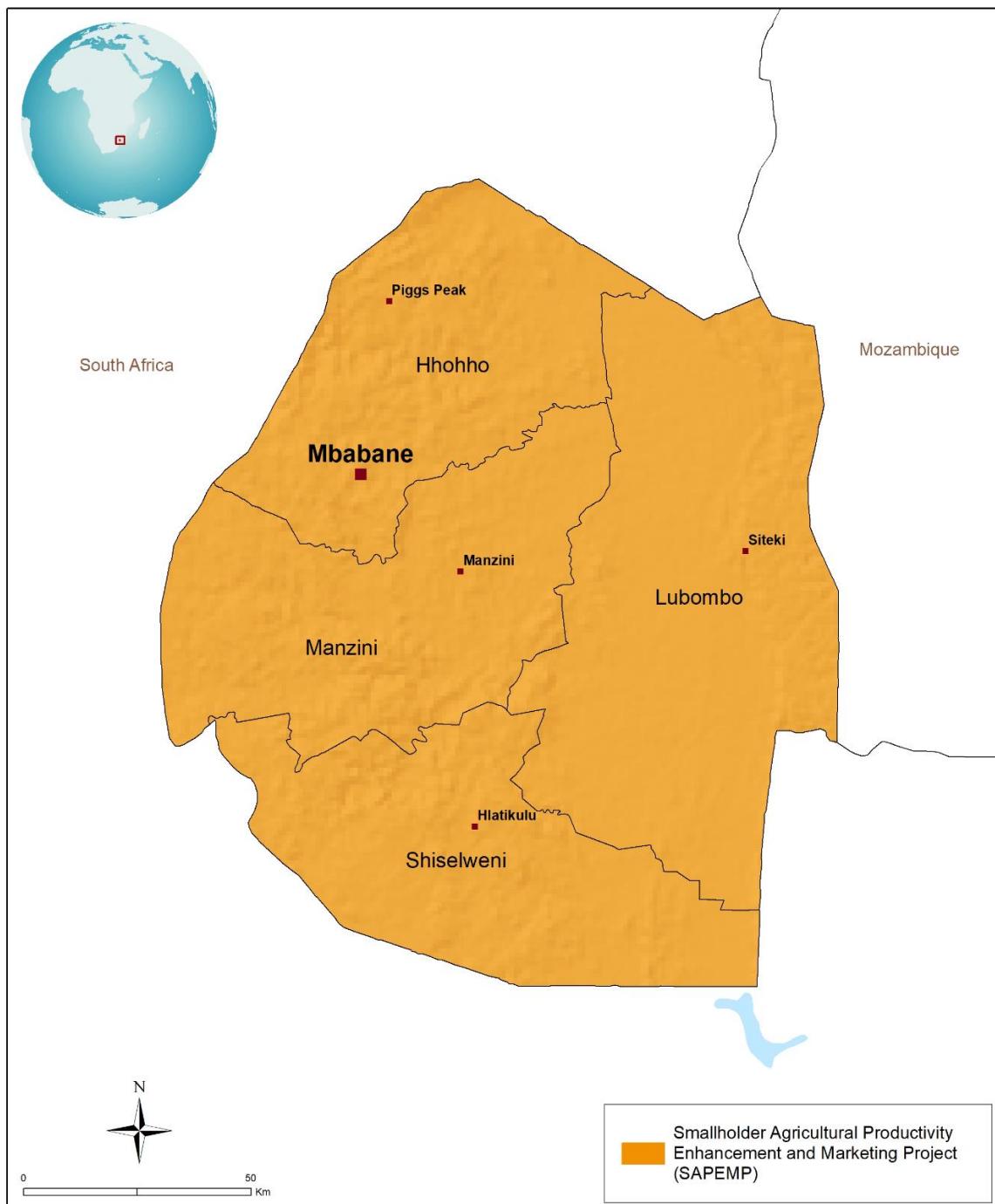
### Équipe d'exécution du projet

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## Carte de la zone du projet



Les appellations employées et la présentation des données n'expriment aucune position particulière du FIDA quant au tracé des frontières ou limites ni aux autorités concernées.

Carte établie par le FIDA | 26.05.2023

## Résumé du financement

<b>Institution initiatrice:</b>	FIDA
<b>Emprunteur/bénéficiaire:</b>	Royaume d'Eswatini
<b>Organisme d'exécution:</b>	Ministère de l'agriculture
<b>Coût total du projet:</b>	45,5 millions d'USD
<b>Montant du prêt 1 du FIDA:</b>	9,07 millions d'USD (Système d'allocation fondé sur la performance)
<b>Conditions du prêt 1 du FIDA:</b>	Ordinaires: délai de remboursement maximal de 30 ans, y compris un différé d'amortissement maximal de 8 ans, à un taux d'intérêt correspondant au taux de référence du FIDA, y compris une marge variable.
<b>Montant du prêt 2 du FIDA</b>	4,5 millions d'USD (Mécanisme d'accès aux ressources empruntées)
<b>Conditions du prêt 2 du FIDA:</b>	Ordinaires: délai de remboursement maximal de 30 ans, y compris un différé d'amortissement maximal de 8 ans, à un taux d'intérêt correspondant au taux de référence du FIDA, y compris une marge variable.
<b>Cofinanceurs:</b>	Fonds vert pour le climat; secteur privé
<b>Montant du cofinancement:</b>	Fonds vert pour le climat: 20,5 millions d'USD Secteur privé: 3,8 millions d'USD
<b>Conditions du cofinancement:</b>	Prêt; dons
<b>Contribution de l'emprunteur/ du bénéficiaire:</b>	5,1 millions d'USD
<b>Contribution des bénéficiaires:</b>	2,5 millions d'USD
<b>Montant du financement climatique apporté par le FIDA:</b>	8,238 millions d'USD
<b>Institution coopérante:</b>	Supervision directe par le FIDA

## I. Contexte

### A. Contexte national et justification de l'intervention du FIDA

#### Contexte national

1. Bien que le Royaume d'Eswatini soit un pays à revenu intermédiaire de la tranche inférieure, 69% de sa population rurale vit en dessous du seuil national de pauvreté et 25% est dans une situation de pauvreté extrême. La pauvreté dans les zones rurales est principalement attribuable à la dépendance envers l'agriculture de subsistance, au manque de possibilités d'activités rémunératrices rentables et d'emplois décents, aux taux de dépendance élevés, à l'inégalité femmes-hommes et au VIH/sida.
2. Plus de 70% de la population du pays vit de l'agriculture de subsistance. La plupart des cultures sont pluviales, et le maïs est la principale culture de base. Environ 43% des ménages cultivent des produits de rente, tels que des légumes, des légumineuses et des fruits. L'Eswatini importe plus de 70% des denrées dont il a besoin, principalement d'Afrique du Sud.
3. La Politique agricole globale (2005) est le cadre global de politique générale qui oriente les investissements dans le secteur agricole. L'Eswatini a énoncé ses priorités dans le Plan national de développement stratégique (2018/19-2022/23) et le Plan stratégique pour l'agriculture (2018-2023). Ces deux documents soulignent la nécessité d'accroître la production agricole et de renforcer sa commercialisation, d'améliorer la sécurité alimentaire et nutritionnelle et de réduire la dépendance à l'égard des importations. Le pays a entrepris d'élaborer le deuxième Plan national d'investissement en agriculture, qui établit ses priorités pour la prochaine période. Les autres politiques de soutien à la petite agriculture, à la réduction de la pauvreté rurale et au renforcement de la sécurité alimentaire comprennent la stratégie nationale de développement (1997-2022), la stratégie de réduction de la pauvreté et le plan d'action connexe (2007), la politique nationale sur les changements climatiques (2016), la politique alimentaire et nutritionnelle (2016) et la politique nationale sur l'eau (2018).

#### Aspects particuliers relatifs aux thématiques transversales prioritaires du FIDA

4. Conformément aux engagements en matière de transversalisation, le projet a été validé comme:
  - incluant un financement climatique;
  - porteur de transformations en matière de genre;
  - tenant compte des enjeux nutritionnels;
  - axé sur les jeunes.
5. **Changements climatiques et environnement.** L'Eswatini est très vulnérable face aux changements climatiques et aux phénomènes météorologiques extrêmes et se classe au 137<sup>e</sup> rang sur 181 pays selon l'indice ND-GAIN 2020. Les émissions de gaz à effet de serre provenant de tous les secteurs devraient augmenter pour atteindre 33,4 tonnes d'équivalent CO<sub>2</sub> d'ici à 2030 (l'agriculture représente 34% des émissions). La dégradation des sols compte parmi les principales causes de la faible productivité agricole et de la diminution des services et des revenus écosystémiques dans les communautés locales. Le Projet d'amélioration de la productivité des petits exploitants agricoles et de commercialisation de la production paysanne (SAPEMP) investira pour renforcer la résilience et l'adaptation face aux changements climatiques, l'atténuation de leurs effets et la gestion intégrée des ressources naturelles.

6. **Égalité femmes-hommes et inclusion sociale.** L’Eswatini a fait des progrès en matière d’égalité femmes-hommes et se classe au 58<sup>e</sup> rang sur 146 pays à ce chapitre. Il est signataire d’importantes conventions internationales, telles que la Convention sur l’élimination de toutes les formes de discrimination à l’égard des femmes. Le pays s’est doté d’une politique nationale pour l’égalité femmes-hommes (2010), et l’unité chargée des questions relatives à l’égalité femmes-hommes et à la famille, qui relève du cabinet du Vice-Premier Ministre, a désigné des coordonnateurs responsables de la problématique femmes-hommes dans les principaux ministères. Les femmes représentent plus de 60% de la main-d’œuvre agricole en raison de la migration des hommes et dépendent de la culture du maïs et des légumineuses pour assurer leur subsistance.
7. **Jeunesse.** Les personnes âgées de 15 à 35 ans représentent 30% de la population du pays et sont concentrées dans les zones rurales. Les jeunes âgés de 15 à 25 ans ont moins accès aux actifs et aux services, possèdent moins d’expérience professionnelle et de compétences, et sont moins rémunérés. Les jeunes âgés de 26 à 35 ans choisissent souvent d’émigrer pour se trouver du travail et bénéficier de meilleures possibilités. Dans les zones rurales, le chômage est plus élevé chez les femmes que chez les hommes (51,2% contre 43,6%). Plus de 45% des jeunes sont au chômage et les perspectives d’emplois décents et durables qui s’offrent à eux sont peu reluisantes.
8. **Sécurité alimentaire et nutritionnelle.** L’Eswatini est un pays à déficit vivrier. Selon l’indice de la faim dans le monde 2022, il s’est classé au 73<sup>e</sup> rang sur 121 pays, obtenant un score de 16,3, qui correspond à un niveau modéré de faim. La politique nationale sur la nutrition est à l’état de projet depuis 2015. Une stratégie nationale en matière de sécurité alimentaire et de nutrition sera élaborée au second semestre de 2023. Le SAPEMP sera également harmonisé avec la stratégie nationale d’intégration de la nutrition (2023-2028).
- Justification de l’intervention du FIDA**
9. Le partenariat de longue date du FIDA avec le Gouvernement swazi visant à stimuler le développement rural s’est traduit par des investissements percutants en agriculture, qui ont pour objectif d’améliorer les conditions de vie des populations rurales, y compris les groupes les plus vulnérables. Bien que les investissements financés par le FIDA dans le secteur agricole du pays aient eu un impact important, en particulier dans la filière sucre (dans le cadre du Projet d’irrigation à l’intention des petits exploitants du bassin inférieur de l’Usuthu), dans le secteur de la finance rurale (dans le cadre du Programme de finance rurale et de développement des entreprises) et dans les filières élevage et cultures [dans le cadre du Projet d’appui à la production agricole familiale induite par le marché ou (SMLP)], des lacunes subsistent, limitant la participation des petits exploitants agricoles aux filières commerciales autres que le secteur sucrier.
10. Le projet comblera, en réponse à la demande du Gouvernement, les lacunes existantes dans le secteur agricole, notamment la faiblesse de la production et de la productivité, la forte dépendance envers les cultures pluviales, les changements climatiques et la dégradation de l’environnement, l’importance des pertes après récolte et le manque d’orientation commerciale des agriculteurs et de coordination de leurs activités.
11. Le projet bénéficiera de l’expérience et du savoir-faire du FIDA aux niveaux national, régional et mondial pour organiser les agriculteurs en noyaux d’activités et établir des partenariats productifs avantageux pour toutes les parties s’articulant autour d’entreprises-pivot, en vue de renforcer la commercialisation de la production des petits exploitants agricoles swazis ainsi que leur compétitivité.

## B. Enseignements à retenir

12. L'évaluation des projets financés par le FIDA en Eswatini au cours de la période 2000-2021, réalisée par le Bureau indépendant de l'évaluation du FIDA dans le cadre de l'évaluation de la stratégie et du programme de pays, ainsi que les évaluations de projet et les rapports des missions d'examen, ont permis de tirer des enseignements précieux pour la conception du SAPEMP:
- a) Simplicité de la conception et des modalités d'exécution. La conception du SAPEMP est simple, comportant deux composantes techniques qui se renforcent mutuellement.
  - b) Commercialisation de la production des petits exploitants agricoles. Il ressort du Projet d'appui à la production agricole familiale induite par le marché et du Projet d'inclusion financière et de développement de pôles de compétitivité (FININCLUDE) que l'organisation des exploitants en noyaux d'activités accroît la probabilité d'un meilleur rendement, mais qu'elle nécessite du temps et un appui sur mesure. Le SAPEMP suivra une approche progressive et veillera à ce que les exploitants bénéficiant d'un appui aient la capacité de participer à des partenariats productifs avec des acteurs du secteur privé.
  - c) Mécanismes d'appui à l'établissement de liens entre les acteurs du marché. Les acheteurs et les producteurs doivent échanger des renseignements pour s'assurer que les produits et les services répondent aux besoins du marché et inspirer la confiance en vue de maintenir des relations commerciales à long terme mutuellement avantageuses. Le SAPEMP établira progressivement un lien de confiance réciproque en mettant en relation les entreprises rurales et les petits exploitants agricoles dans le cadre de partenariats à long terme.
  - d) Pertes après récolte. Il ressort des consultations menées auprès du Gouvernement dans le cadre du programme d'options stratégiques pour le pays (COSOP) que les pertes alimentaires après récolte s'élèvent à 40%. Le SAPEMP financera l'aménagement d'infrastructures de gestion après récolte à l'épreuve des changements climatiques afin de réduire les pertes et d'augmenter la production.

## II. Description du projet

### A. Objectifs, zone d'intervention et groupes cibles

13. Le SAPEMP a pour objectif de contribuer à la réduction durable de la pauvreté dans les zones rurales d'Eswatini. S'agissant du développement, il vise à améliorer durablement la production, la nutrition et les revenus des petits exploitants agricoles et à renforcer leur résilience face aux changements climatiques. Il cherchera également à éliminer les principaux goulets d'étranglement dans les filières légumes et légumineuses. Les filières sélectionnées offrent des possibilités en matière d'accès au marché, de production à longueur d'année, de participation des petits exploitants, de création de revenus, de sécurité nutritionnelle et de valeur ajoutée.
14. Le SAPEMP aura une portée nationale. Il fera fond sur l'approche suivie par le FIDA dans le cadre du programme de pays, en tirant parti des interventions menées au titre du Projet d'appui à la production agricole familiale induite par le marché et du Projet d'inclusion financière et de développement de pôles de compétitivité dans le sud du pays. Il devrait toucher directement 19 600 ménages de petits exploitants, soit quelque 117 700 personnes. Les groupes suivants ont été ciblés à l'étape de la conception du projet: les ménages de producteurs (14 100 petits exploitants, soit 72% de la population cible du projet); les ménages pauvres (2 000 petits exploitants, soit 10% de la population cible du projet); les exploitants écologiquement vulnérables (1 200 ménages, soit 6% de la population cible du projet); les ménages quasipauvres (2 300 ménages, soit 12% de la population

cible du projet). Les bénéficiaires du SAPEMP seront répartis comme suit: les femmes (40%), les jeunes femmes et hommes (30%), et les personnes appartenant à des groupes vulnérables et les personnes handicapées (5%).

## **B. Composantes, résultats et activités**

15. Le SAPEMP comprendra les composantes suivantes: i) augmentation de la production et de la productivité des filières ciblées, et renforcement de la résilience et amélioration de la nutrition des ménages de petits exploitants; ii) augmentation des revenus que les petits exploitants ruraux tirent de la commercialisation des produits des filières sélectionnées; iii) amélioration de la prestation de services par le renforcement des institutions publiques et rurales. Les activités du projet sont structurées en trois composantes qui se renforcent mutuellement.
16. **Composante 1: Augmentation de la production et de la productivité des filières ciblées, et renforcement de la résilience et amélioration de la nutrition des ménages de petits exploitants.** Cette composante vise à renforcer la résilience, à accroître la production et la productivité et à améliorer la nutrition des petits exploitants. Ses effets directs seront concrétisés par des investissements dans des infrastructures de récupération de l'eau, de protection des petits bassins versants, de manutention après récolte et de commercialisation. L'établissement de plans de développement communautaire augmentera la durabilité globale du projet et favorisera la mobilisation et l'autonomisation des communautés. La composante s'articule autour de deux sous-composantes: gestion intégrée des ressources naturelles au niveau communautaire, production climato-compatible et nutrition; développement d'une production à l'épreuve des changements climatiques et d'une infrastructure de marché.
17. **Composante 2: Augmentation des revenus que les petits exploitants ruraux tirent de la commercialisation des produits des filières sélectionnées.** Cette composante vise à créer des liens commerciaux fructueux entre les noyaux de production développés et les entreprises-pivot et les acheteurs sélectionnés, sur la base des possibilités commerciales et de la proximité géographique. Elle améliorera également l'accès au financement pour les entrepreneurs des noyaux et les entreprises-pivot. La composante s'articule autour de deux sous-composantes: renforcer la mise en rapport des marchés et l'accès à ces marchés dans les filières ciblées; accès aux services financiers verts et aux services financiers pour la filière.
18. **Composante 3: Amélioration de la prestation de services par le renforcement des institutions publiques et rurales.** Les institutions publiques seront renforcées afin de fournir efficacement des services et d'appuyer la mise en œuvre de politiques de facilitation essentielles. Cette composante favorisera la création de conditions propices à la concrétisation des effets directs des deux autres composantes.

## **C. Théorie du changement**

19. Les moyens d'existence des ménages ruraux du pays sont devenus très vulnérables face aux effets néfastes des changements climatiques, qui ne cessent de croître et qui sont exacerbés par le coût élevé des intrants, l'accès limité aux services, la faiblesse de la production et de la consommation d'aliments nutritifs, le manque d'organisation des agriculteurs, la forte dépendance à l'égard de la pluie et l'insuffisance des infrastructures d'irrigation, l'accessibilité limitée des savoirs et des équipements nécessaires à la gestion après récolte, le manque général d'incitations à la participation des jeunes, et la dégradation de l'environnement.

20. Il ressort des enseignements retenus qu'il est possible d'accroître la productivité, les revenus et le bien-être des petits exploitants agricoles en donnant aux communautés les moyens de gérer leurs ressources naturelles et d'acquérir de nouvelles compétences et technologies, et en facilitant l'accès aux services financiers.
21. Le SAPEMP suivra une approche communautaire pour organiser les petits exploitants en noyaux d'activités en vue de coordonner la production et la commercialisation de légumes et de légumineuses. Les noyaux auront accès à des services de vulgarisation et à des technologies climato-compatibles, ce qui leur permettra d'accroître leur productivité et d'accéder aux marchés en vertu d'arrangements avec des acteurs du secteur privé, avantageux pour toutes les parties. Le projet appuiera également l'entrepreneuriat dans les domaines de la fourniture d'intrants, de la valeur ajoutée, du transport et d'autres activités utiles aux filières, créant ainsi des emplois, en particulier pour les jeunes. La formation sur les connaissances financières et l'établissement de liens avec les institutions financières amélioreront l'accès aux services financiers.
22. La bonne exécution des interventions menées dans le cadre du SAPEMP se traduira par une augmentation de la production et de la productivité végétales, une amélioration de la nutrition, une autonomisation sociale et économique équitable des femmes et des jeunes, une plus grande résilience des petits exploitants et des écosystèmes, et un accroissement des revenus des personnes démunies (hommes, femmes, jeunes et groupes vulnérables) des zones rurales.

#### **D. Alignement, appropriation et partenariats**

23. **Alignement.** Le SAPEMP contribuera à la réalisation des objectifs de développement durable n°s 1 (pas de pauvreté), 2 (faim « zéro »), 5 (égalité entre les sexes), 8 (travail décent et croissance économique) et 13 (mesures relatives à la lutte contre les changements climatiques). Le projet fait fond sur le cadre d'orientation du Gouvernement, notamment le deuxième Plan national d'investissement en agriculture et le Plan national de développement stratégique (2018/19-2022/23). Il est harmonisé avec le Plan stratégique pour l'agriculture (2018-2023) et les contributions déterminées au niveau national révisées de 2021. Il contribuera à la réalisation de l'objectif du COSOP 2022-2027 établi pour l'Eswatini, qui consiste à réduire la pauvreté rurale et à améliorer durablement la sécurité alimentaire et nutritionnelle des ménages pauvres. Le ciblage est conforme aux Directives du FIDA relatives au ciblage (2019). L'utilisation des technologies de l'information et des communications au service du développement sera encouragée pour accroître l'impact du SAPEMP sur le développement, conformément à la stratégie du FIDA en la matière. Le projet est aligné sur le Cadre stratégique du FIDA 2016-2025, la Stratégie et le plan d'action du FIDA dans le domaine de l'environnement et des changements climatiques 2019-2025 et les Procédures d'évaluation sociale, environnementale et climatique (PESEC) du FIDA (2021).
24. **Appropriation et partenariats.** Le SAPEMP mettra en œuvre des processus participatifs de planification, de suivi et de mise en œuvre. La participation d'entités traditionnelles telles que les comités de développement communautaire et l'harmonisation avec les plans de développement communautaire favoriseront l'appropriation des interventions du projet par la communauté. La mise en œuvre des activités s'appuiera sur les partenariats solides que le programme de pays du FIDA pour l'Eswatini a forgés avec plusieurs ministères et entités parapubliques clés. La planification annuelle conjointe des activités et l'allocation de ressources aux principaux partenaires d'exécution permettront d'assurer l'appropriation des interventions menées dans le cadre du projet. Ce dernier créera également des partenariats avec d'autres partenaires de développement, notamment l'Organisation des Nations Unies pour l'alimentation et l'agriculture pour les questions relatives au climat et à l'environnement et le Programme alimentaire mondial pour la nutrition et l'accès des agriculteurs aux marchés.

**E. Coût, avantages et financement.**

25. Le montant total alloué par le FIDA au projet au titre du financement de l'action climatique, calculé suivant les méthodes des banques multilatérales de développement pour le suivi du financement de l'adaptation aux changements climatiques et de l'atténuation de leurs effets, est estimé à 8 238 000 USD.

**Coût du projet**

26. Le coût total du projet est d'environ 45,48 millions d'USD, y compris les imprévus. Ce coût est ventilé dans les tableaux récapitulatifs ci-après.

**Tableau 1**  
**Cout du projet par composante et sous-composante et par source de financement**  
(en milliers d'USD)

Composante/sous-composante	Gouvernement		SAFP du FIDA		MARE du FIDA		Secteur privé		Fonds vert pour le climat		Bénéficiaires		Total	
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%
<b>1. Augmentation de la production et de la productivité des filières ciblées, et renforcement de la résilience et amélioration de la nutrition des ménages de petits exploitants</b>														
1.1. Gestion intégrée des ressources naturelles au niveau communautaire, production climato-compatible et nutrition	2 612	14,4	4 086	22,5	1 820	10,0	-	-	8 265	45,5	1 378	7,6	18 160	39,9
1.2. Développement d'une production à l'épreuve des changements climatiques et d'une infrastructure de marché	1 552	14,0	314	2,8	209	1,9	3 316	30,0	4 559	41,3	1 095	9,9	11 045	24,3
Sous-total	4 164	14,3	4 400	15,1	2 029	6,9	3 316	11,4	12 824	43,9	2 473	8,5	29 205	64,2
<b>2. Augmentation des revenus que les petits exploitants ruraux tirent de la commercialisation des produits des filières sélectionnées</b>														
2.1. Renforcer la mise en rapport des marchés et l'accès à ces marchés dans les filières ciblées	463	12,3	423	11,2	751	19,9	438	11,6	1 700	45,0	-	-	3 775	8,3
2.2. Accès aux services financiers verts et aux services financiers pour la filière	100	2,4	1 337	32,1	416	10,0	64	1,5	2 248	54,0	-	-	4 164	9,2
Sous-total	563	7,1	1 760	22,2	1 167	14,7	502	6,3	3 948	49,7	-	-	7 939	17,5
<b>3. Amélioration de la prestation de services par le renforcement des institutions publiques et rurales</b>														
3.1. Appui à la mise en œuvre des politiques et renforcement des institutions	49	3,4	483	33,1	255	17,5	-	-	671	46,0	-	-	1 458	3,2
3.2. Coordination du projet	341	5,0	2 429	35,3	1 049	15,3	-	-	3 057	44,5	-	-	6 876	15,1
Sous-total	390	4,7	2 911	34,9	1 304	15,7	-	-	3 728	44,7	-	-	8 334	18,3
<b>Total</b>	<b>5 117</b>	<b>11,3</b>	<b>9 070</b>	<b>19,9</b>	<b>4 500</b>	<b>9,9</b>	<b>3 818</b>	<b>8,4</b>	<b>20 500</b>	<b>45,1</b>	<b>2 473</b>	<b>5,4</b>	<b>45 478</b>	<b>100,0</b>

**Tableau 2**  
**Cout du projet par catégorie de dépenses et par source de financement**  
(en milliers d'USD)

Catégorie de dépenses	Gouvernement		SAFP du FIDA		MARE du FIDA		Secteur privé		Fonds vert pour le climat		Bénéficiaires		Total	
	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%	Montant	%
<b>Dépenses d'investissement</b>														
Assistance technique et services de consultants	0	-	943	24,5	641	16,6	188	4,9	2 044	53,0	41	1,1	3 857	8,5
Dons et subventions	-	-	45	15,9	67	23,6	-	-	170	60,5	-	-	282	0,6
Biens, services et intrants	1 165	15,0	1 294	16,7	1 187	15,3	748	9,6	2 889	37,2	481	6,2	7 763	17,1
Ateliers de formation et réunions	1 751	15,0	2 742	23,5	1 212	10,4	314	2,7	5 348	45,8	307	2,6	11 676	25,7
Travaux de génie civil	1 903	15,0	636	5,0	447	3,5	2 568	20,2	5 492	43,3	1 644	13,0	12 689	27,9
Crédits et fonds de garantie	-	-	920	35,0	263	10,0	-	-	1 445	55,0	-	-	2 628	5,8
<b>Total des dépenses d'investissement</b>	<b>4 819</b>	<b>12,4</b>	<b>6 580</b>	<b>16,9</b>	<b>3 817</b>	<b>9,8</b>	<b>3 818</b>	<b>9,8</b>	<b>17 389</b>	<b>44,7</b>	<b>2 473</b>	<b>6,4</b>	<b>38 895</b>	<b>85,5</b>
<b>Dépenses ordinaires</b>														
A. Salaires et indemnités	-	-	1 840	40,0	460	10,0	-	-	2 300	50,0	-	-	4 601	10,1
B. Dépenses de fonctionnement	297	15,0	650	32,8	223	11,3	-	-	811	40,9	-	-	1 982	4,4
<b>Total des dépenses ordinaires</b>	<b>297</b>	<b>4,5</b>	<b>2 491</b>	<b>37,8</b>	<b>683</b>	<b>10,4</b>	<b>-</b>	<b>-</b>	<b>3 111</b>	<b>47,3</b>	<b>-</b>	<b>-</b>	<b>6 583</b>	<b>14,5</b>
<b>Total</b>	<b>5 117</b>	<b>11,3</b>	<b>9 070</b>	<b>19,9</b>	<b>4 500</b>	<b>9,9</b>	<b>3 818</b>	<b>8,4</b>	<b>20 500</b>	<b>45,1</b>	<b>2 473</b>	<b>5,4</b>	<b>45 478</b>	<b>100,0</b>

**Tableau 3**  
**Cout du projet par composante, par sous-composante et par année du projet**  
(en milliers d'USD)

Composante/sous-composante	Année 1		Année 2		Année 3		Année 4		Année 5		Année 6		Année 7		Année 8		Total
	Montant	%	Montant														
<b>1. Augmentation de la production et de la productivité des filières ciblées, et renforcement de la résilience et amélioration de la nutrition des ménages de petits exploitants</b>																	
1.1. Gestion intégrée des ressources naturelles au niveau communautaire, production climato-compatible et nutrition	2 495	13,7	2 441	13,4	2 788	15,4	3 546	19,5	3 650	20,1	2 659	14,6	578	3,2	3	0,0	18 160
1.2. Développement d'une production à l'épreuve des changements climatiques et d'une infrastructure de marché	261	2,4	2 752	24,9	2 907	26,3	3 009	27,2	1 134	10,3	964	8,7	17	0,2	-	-	11 045
<b>Sous-total</b>	<b>2 756</b>	<b>9,4</b>	<b>5 194</b>	<b>17,8</b>	<b>5 695</b>	<b>19,5</b>	<b>6 555</b>	<b>22,4</b>	<b>4 784</b>	<b>16,4</b>	<b>3 623</b>	<b>12,4</b>	<b>595</b>	<b>2,0</b>	<b>3</b>	<b>0,0</b>	<b>29 205</b>
<b>2. Augmentation des revenus que les petits exploitants ruraux tirent de la commercialisation des produits des filières sélectionnées</b>																	
2.1. Renforcer la mise en rapport des marchés et l'accès à ces marchés dans les filières ciblées	660	17,5	506	13,4	649	17,2	586	15,5	485	12,8	447	11,9	289	7,7	152	4,0	3 775
2.2. Accès aux services financiers verts et aux services financiers pour la filière	2 731	65,6	391	9,4	628	15,1	133	3,2	137	3,3	142	3,4	-	-	-	-	4 164
<b>Sous-total</b>	<b>3 392</b>	<b>42,7</b>	<b>897</b>	<b>11,3</b>	<b>1 277</b>	<b>16,1</b>	<b>718</b>	<b>9,0</b>	<b>622</b>	<b>7,8</b>	<b>590</b>	<b>7,4</b>	<b>289</b>	<b>3,6</b>	<b>152</b>	<b>1,9</b>	<b>7 939</b>
<b>3. Amélioration de la prestation de services par le renforcement des institutions publiques et rurales</b>																	
3.1. Appui à la mise en œuvre des politiques et renforcement des institutions	761	52,2	63	4,3	76	5,2	159	10,9	70	4,8	72	4,9	75	5,1	182	12,5	1 458
3.2. Coordination du projet	1 178	17,1	713	10,4	740	10,8	766	11,1	963	14,0	821	11,9	849	12,4	845	12,3	6 876
<b>Sous-total</b>	<b>1 938</b>	<b>23,3</b>	<b>776</b>	<b>9,3</b>	<b>817</b>	<b>9,8</b>	<b>925</b>	<b>11,1</b>	<b>1 033</b>	<b>12,4</b>	<b>893</b>	<b>10,7</b>	<b>924</b>	<b>11,1</b>	<b>1 028</b>	<b>12,3</b>	<b>8 334</b>
<b>Total</b>	<b>8 087</b>	<b>17,8</b>	<b>6 867</b>	<b>15,1</b>	<b>7 789</b>	<b>17,1</b>	<b>8 199</b>	<b>18,0</b>	<b>6 439</b>	<b>14,2</b>	<b>5 105</b>	<b>11,2</b>	<b>1 808</b>	<b>4,0</b>	<b>1 183</b>	<b>2,6</b>	<b>45 478</b>

### **Stratégie et plan de financement et de cofinancement**

27. Les sources de financement du projet sont les suivantes: i) un prêt de 9,07 millions d'USD au titre du Système d'allocation fondé sur la performance (SAFP) du FIDA; ii) un prêt de 4,5 millions d'USD au titre du Mécanisme d'accès aux ressources empruntées (MARE) du FIDA; iii) une contribution de 20,5 millions d'USD du Fonds vert pour le climat. Le cofinancement national sera assuré par: i) le Gouvernement, qui contribuera à hauteur d'environ 5,1 millions d'USD (y compris les exonérations de droits et de taxes); ii) le secteur privé, dont la contribution devrait s'élever à 3,8 millions d'USD; iii) les bénéficiaires, qui devraient verser quelque 2,5 millions d'USD.

### **Décaissement**

28. Le FIDA accordera un financement par l'intermédiaire du SAFP et du MARE, qui sera versé conjointement avec la contribution du Fonds vert pour le climat. Étant reconnu par le Fonds vert pour le climat, le FIDA transférera les fonds au SAPEMP. Afin que ces fonds soient bien gérés séparément, des comptes désignés distincts seront ouverts pour chaque source de financement. Lorsque le Ministère des finances aura signé les accords de financement distincts avec le FIDA et le Fonds vert pour le climat, deux comptes distincts libellés en dollar des États-Unis seront ouverts à la banque centrale d'Eswatini, l'un pour le financement octroyé par le FIDA et l'autre pour la contribution du Fonds vert pour le climat. Chaque compte distinct sera également lié à un compte bancaire opérationnel en monnaie locale. Toutes les activités financières menées au titre du projet seront enregistrées dans le système comptable et communiquées au FIDA et au Gouvernement. En outre, l'unité de gestion du projet (UGP) ouvrira un compte bancaire en monnaie locale dans lequel seront déposés les fonds de contrepartie versés par le Gouvernement. Les retraits des comptes désignés seront conformes aux directives du FIDA relatives au décaissement. Pour assurer le réapprovisionnement de ces comptes en temps voulu, l'UGP présentera au FIDA des rapports financiers trimestriels et des prévisions de trésorerie.

### **Résumé des avantages et analyse économique**

29. Les avantages pour le groupe cible du SAPEMP consistent en ce qui suit:  
 i) disponibilité accrue de l'eau à des fins productives; ii) diversification des activités productives et des sources de revenus; iii) augmentation de l'offre de denrées alimentaires aux populations pauvres des zones rurales; iv) valeur ajoutée accrue des produits agricoles; v) augmentation de l'efficacité de la transformation grâce aux innovations technologiques et à l'amélioration de l'infrastructure; vi) amélioration de la qualité des produits transformés, qui se traduit par des prix plus élevés sur le marché local; vii) création d'emplois (main-d'œuvre salariée ou familiale) agricoles et non agricoles; viii) recettes fiscales générées par l'augmentation du volume de production imposable.
30. L'analyse économique a confirmé le bien-fondé de l'investissement d'un point de vue social. La valeur actuelle nette économique du projet sur 20 ans, actualisée à 8%, s'élève à 139 millions d'USD, ce qui se traduit par un taux de rentabilité économique interne de 22%. L'analyse de sensibilité a démontré que le projet ne serait plus viable si: i) les dépenses d'investissement faisaient un bond de 47%; ii) les dépenses de fonctionnement augmentaient de 10%; iii) les bénéfices diminuaient de 5%; iv) les coûts des intrants augmentaient de 96%; v) les prix des produits baissaient de 45%; vi) le nombre de ménages bénéficiaires menant des activités productives était inférieur à 3 000.

### **Stratégie de retrait et pérennisation**

31. Un élément clé de la stratégie de retrait du SAPEMP est la création de partenariats productifs entre les principaux acteurs de la filière, qui permettra aux petits exploitants agricoles et aux noyaux d'activités de recevoir des services et des intrants par l'intermédiaire d'un mécanisme économiquement viable et d'établir des

relations à long terme avec le secteur privé. Les entreprises-pivot stimuleront la demande et fourniront l'orientation générale du développement de la filière en vue de l'établissement de partenariats productifs avantageux pour toutes les parties à long terme, qui devraient se poursuivre après l'achèvement du projet.

32. La mise en place du mécanisme de financement de l'action climatique et l'appui à l'écologisation des portefeuilles du secteur privé créeront des possibilités à long terme et des conditions propices au financement de l'action climatique. Le renforcement de la capacité des institutions financières à élaborer de nouveaux produits et de nouveaux modes de fourniture pour les petits exploitants agricoles attirera d'autres prestataires de services financiers, contribuant ainsi à la durabilité des services financiers. L'approche du SAPEMP, ses effets directs, ses arrangements institutionnels et ses données factuelles devant servir de fondements aux nouvelles politiques seront progressivement intégrés dans les activités courantes des institutions concernées, ce qui garantira la pérennisation après son achèvement.

### **III. Gestion des risques**

- A. Risques et mesures d'atténuation** Le risque inhérent global et le risque résiduel global sont respectivement classés dans la catégorie « **Substantiel** » et la catégorie « **Modéré** ». Les principaux risques et les mesures d'atténuation correspondantes figurent dans l'appendice III.

Tableau 4  
**Synthèse des risques**

Aspect du risque	Niveau de risque inhérent	Évaluation du risque résiduel
Contexte national	Substantiel	Substantiel
Stratégies et politiques sectorielles	Substantiel	Substantiel
Contexte environnemental et climatique	Substantiel	Substantiel
Portée du projet	Modéré	Modéré
Capacités institutionnelles d'exécution et viabilité	Substantiel	Faible
Gestion financière	Substantiel	Substantiel
Passation des marchés	Modéré	Faible
Impact environnemental, social et climatique	Modéré	Modéré
Parties prenantes	Modéré	Faible
<b>Risque global</b>	Substantiel	Modéré

**B. Catégorie environnementale et sociale**

34. S'agissant du risque environnemental et social, le SAPEMP est classé dans la catégorie « **Substantiel** ». La plupart des investissements prévus au titre du projet visent à accroître la production des petits exploitants agricoles et leur résilience face aux changements climatiques, et à améliorer l'environnement grâce à la gestion durable et à la préservation des ressources naturelles, aux innovations et aux entreprises vertes et aux infrastructures protégées contre les aléas climatiques. L'Autorité environnementale d'Eswatini s'assurera de la conformité et offrira des conseils techniques à l'UGP. La note analytique des PESEC comprend un cadre de gestion environnementale et sociale.

**C. Classement au regard des risques climatiques**

35. S'agissant des risques climatiques, le SAPEMP est classé dans la catégorie « **Substantiel** ». Il ressort de l'analyse des tendances climatiques historiques pour l'Eswatini que les températures moyennes de surface ont augmenté, que les précipitations sont devenues imprévisibles et que la fréquence et la gravité des sécheresses et des inondations se sont également accrues. Les activités menées au titre du projet devraient procurer des avantages importants découlant de l'adaptation aux changements climatiques, ainsi que des avantages connexes

résultant des mesures d'atténuation alignées sur les cibles ambitieuses associées aux contributions déterminées au niveau national. Une évaluation des risques climatiques est incluse dans les documents de conception du projet.

#### **D. Soutenabilité de la dette**

36. La dernière analyse de la soutenabilité de la dette d'Eswatini indique que l'importante dette publique, qui a triplé au cours de la dernière décennie en raison des déficits budgétaires, exerce de fortes tensions sur la dette souveraine du pays. Le déficit budgétaire devrait culminer à 42,3% du produit intérieur brut au cours de l'exercice 2022/2023, mais sa croissance a ralenti depuis 2020, dans la foulée des efforts déployés par les autorités pour limiter les dépenses en réponse aux préoccupations concernant la soutenabilité de la dette.

### **IV. Exécution**

#### **A. Cadre organisationnel**

##### **Gestion et coordination du projet**

37. Le SAPEMP sera exécuté sur une période de huit ans. Le Ministère de l'agriculture sera l'organisme d'exécution et confiera à l'organisme parapublic EWADE (Eswatini Water and Agricultural Development Enterprise) le rôle d'organisme d'exécution principal. L'EWADe, qui possède une grande expérience de la gestion des investissements financés par le FIDA, mettra en place une UGP et l'intégrera dans sa structure. Cette unité sera appuyée par l'unité de développement agricole et de gestion environnementale, qui met à la disposition des projets gérés par l'EWADe un savoir-faire, des procédures et des normes spécifiques. Un comité directeur du projet sera créé pour assurer la supervision et l'orientation stratégique.

##### **Gestion financière, passation des marchés et gouvernance**

38. **Gestion financière.** L'UGP supervisera la gestion financière du projet et ses partenaires d'exécution. Elle débloquera les fonds en fonction des plans approuvés, les distribuera aux agences et coordonnera le suivi et l'établissement des rapports. Deux mécanismes de décaissement seront utilisés: le retrait anticipé et le remboursement. Le budget sera établi en conformité avec les procédures du Gouvernement swazi, et le plan de travail et budget annuel sera approuvé par le comité directeur du projet. L'information financière sera communiquée dans les rapports financiers trimestriels intermédiaires et les états financiers annuels, conformément aux directives du FIDA. Les services d'audit interne seront fournis par le département d'audit interne du Ministère de l'agriculture, tandis que l'audit externe sera réalisé par des cabinets d'audit privés.
39. **Passation de marchés.** L'UGP sera responsable de la mise en œuvre du plan de passation des marchés et de la gestion des processus de passation des marchés. Les marchés de biens, de travaux et de services seront adjugés conformément à la Loi de 2011 sur les marchés publics, qui régit les marchés publics. Le dossier d'appel d'offres standard destiné aux autorités et institutions publiques régies par la Loi sur les marchés publics a été finalisé, mais n'a pas encore été utilisé. Le SAPEMP utilisera donc le dossier d'appel d'offres standard du FIDA. Le système national de passation des marchés sera utilisé, sous réserve de sa conformité avec les exigences du FIDA énoncées dans l'accord de financement et la lettre concernant la passation des marchés.
40. **Participation et retours d'information du groupe cible, et mécanisme de réponse aux doléances.** Les comités et les plans de développement communautaire serviront de points d'entrée au projet pour l'exécution, la planification et le suivi. Les renseignements communiqués par les bénéficiaires seront très utiles pour la prise de décisions concernant le projet. Les entretiens menés avec les bénéficiaires au cours des missions de supervision seront enregistrés et leurs observations seront prises en compte dans une optique d'amélioration des résultats. La publication des décisions prises dans le cadre du

projet encouragera la participation et facilitera l'expression des opinions divergentes. L'obtention du consentement préalable, libre et éclairé se traduira par un mécanisme de retour d'information permettant de faire connaître les demandes, les préoccupations et les risques et d'élaborer des mesures d'atténuation des risques.

#### **Mécanisme de réponse aux doléances**

41. Le SAPEMP mettra en place un mécanisme de réponse aux doléances pour traiter les plaintes qu'il pourrait susciter. Les personnes souhaitant faire part de leur doléance au niveau de la chefferie devront d'abord s'adresser à un comité de développement communautaire. Les différends qui ne peuvent être réglés par ce comité seront soumis au conseil intérieur, au conseil consultatif du chef et au chef, et s'il y a lieu, à l'administrateur régional et enfin à la Cour swazie. L'UGP fournira des informations sur le mécanisme de réponse aux doléances et fera connaître la tolérance zéro du FIDA à l'égard de l'exploitation et des atteintes sexuelles, ainsi que ses politiques en matière de prévention de la fraude et de la corruption.

### **B. Planification, suivi-évaluation, apprentissage, gestion des savoirs et communication**

42. Le cadre logique et les plans de travail et budgets annuels constitueront le fondement des mécanismes de planification et budgétisation annuelles et de suivi-évaluation du projet. Le système de suivi-évaluation sera élaboré conformément aux exigences du FIDA et du Gouvernement. Il sera coordonné par l'organisme d'exécution (le Ministère de l'agriculture) et géré par l'UGP. L'outil de conception et de suivi des interventions de renforcement de la résilience, un plan de suivi-évaluation, un cadre logique opérationnel détaillé et un système de gestion de l'information jumelé au système d'information intégré sur l'agriculture du Ministère de l'agriculture feront partie intégrante des dispositifs de suivi-évaluation du projet.
43. **Gestion des savoirs, apprentissage et communication.** La gestion des savoirs et l'apprentissage s'inscrivant dans le cadre du SAPEMP reposeront sur le système de suivi-évaluation. Une stratégie de gestion des savoirs et de communication sera élaborée au début de l'exécution du projet. Grâce aux activités de gestion des savoirs, les données du projet seront analysées et diffusées en tant qu'enseignements tirés sur le terrain et données factuelles produites pour éclairer l'élaboration des politiques. Un plan d'action pour la gestion des savoirs et la communication sera également établi en conformité avec la stratégie de gestion des savoirs et de communication et intégré dans le plan de travail et budget annuel du projet. Enfin, un appui au renforcement du système de suivi-évaluation et des fonctions de gestion des savoirs et d'apprentissage du Ministère de l'agriculture sera apporté.

#### **Innovations et reproduction à plus grande échelle**

44. Le SAPEMP encouragera les innovations numériques afin d'accroître les investissements du secteur agricole national dans la vulgarisation numérique. Il renforcera également l'orientation vers le marché du système d'information intégré sur l'agriculture en vue d'assurer la disponibilité de données exactes et fiables dans les filières et la participation des acteurs du secteur privé. Ce système est, à juste titre, hébergé au Ministère de l'agriculture, ce qui facilitera son adoption à plus grande échelle.
45. Le modèle fondé sur les entreprises-pivot s'inscrit dans une nouvelle approche pour les filières horticoles en Eswatini. L'équipe de projet communiquera des données factuelles ainsi que les enseignements qui seront tirés en vue d'assurer la réussite de l'application de ce modèle. Le projet appuiera également l'élaboration de produits d'assurance indicuels afin de protéger les bénéficiaires contre les pertes résultant de phénomènes météorologiques extrêmes. L'assurance sera également

un instrument de réduction des risques utilisé pour rendre les services financiers plus accessibles aux bénéficiaires du projet.

## C. Plans d'exécution

### **Plans de préparation à l'exécution et de démarrage**

46. Le manuel d'exécution du projet, le premier plan de travail et budget annuel et le premier plan de passation de marchés pour une période de 18 mois visent à garantir que le projet démarre comme prévu et qu'il n'y ait pas de retard inutile au cours de la première année du projet. Un atelier sur le démarrage sera organisé pour les parties prenantes et les partenaires d'exécution du projet afin d'améliorer leur connaissance des modalités d'exécution.

### **Supervision, examen à mi-parcours et plans d'achèvement**

47. La supervision du projet sera assurée conjointement par le FIDA et le Gouvernement. Il s'agira d'évaluer les réalisations globales d'un point de vue matériel et financier, de relever les problèmes d'exécution et de proposer des mesures pour y remédier, dans le respect des dispositions relatives aux aspects fiduciaires de l'accord de financement. Le FIDA appuiera en permanence l'exécution du projet. Un examen à mi-parcours sera effectué pour déterminer si le projet est en voie d'atteindre son objectif. Une fois le projet achevé, un examen d'achèvement sera effectué afin qu'il soit rendu compte des effets directs et de l'impact.

## V. Instruments et pouvoirs juridiques

48. L'octroi du financement proposé à l'emprunteur/au bénéficiaire est régi par un accord de financement entre le Royaume d'Eswatini et le FIDA. Une copie de l'accord de financement négocié figure à l'appendice I.
49. Le Royaume d'Eswatini est habilité, en vertu de son ordre juridique, à recevoir un financement du FIDA.
50. Je certifie que le financement proposé est conforme aux dispositions de l'Accord portant création du FIDA, et aux Principes et critères applicables aux financements du FIDA.

## VI. Recommandation

51. Je recommande au Conseil d'administration d'approuver le financement proposé par la résolution suivante:

DÉCIDE: que le Fonds accordera au Royaume d'Eswatini un prêt à des conditions ordinaires d'un montant de neuf millions soixante-dix mille dollars des États-Unis (9 070 000 USD), qui sera régi par des modalités et conditions conformes en substance aux modalités et conditions indiquées dans le présent rapport.

DÉCIDE EN OUTRE: que le Fonds accordera au Royaume d'Eswatini un prêt à des conditions ordinaires d'un montant de quatre millions cinq cent mille dollars des États-Unis (4 500 000 USD), qui sera régi par des modalités et conditions conformes en substance aux modalités et conditions indiquées dans le présent rapport.

Le Président  
Alvaro Lario

## **Negotiated financing agreement**

### **Smallholder Agricultural Productivity Enhancement and Marketing Project (SAPEMP)**

(Negotiations concluded on 21 February 2024)

Loan No: \_\_\_\_\_  
Loan No: \_\_\_\_\_

Project name: Smallholder Agricultural Productivity Enhancement and Marketing Project ("SAPEMP"/ "the Project")

The Kingdom of Eswatini (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

**WHEREAS** the Borrower has requested a loan from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Fund has agreed to provide financing for the Project.

**NOW THEREFORE**, the Parties hereby agree as follows:

#### **Section A**

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide two loans (the "Financing") to the Borrower, which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

#### **Section B**

1. The amount of the Loan eligible to ordinary terms is nine million and seventy thousand United States Dollars (USD 9 070 000) ("Loan 1").

2. The amount of the Loan eligible to ordinary terms is four million and five hundred thousand United States Dollars (USD 4 500 000) ("Loan 2").

3. The Financing shall be subject to interest on the principal amount outstanding of the Loan, at a rate equal to the IFAD Reference Interest Rate including a variable spread, payable semi-annually in the Loan Service Payment Currency, and have a maturity period of twenty five (25) years, including a grace period of eight (8) years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled.

4. The Loan Service Payment Currency shall be in USD.

5. The first day of the applicable Fiscal Year shall be 1 April.

6. Payments of principal and service charge shall be payable on each 31<sup>st</sup> March and 30<sup>th</sup> September.

7. There shall be a Designated Account in USD, for the exclusive use of the Project which is to be opened in the Central Bank of Eswatini. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.

8. There shall be Project operational accounts in local currency opened at a local commercial bank and details would be communicated to IFAD. Separate Project accounts will be maintained for the different Project co-financiers. One operational bank account shall be used for IFAD funds and the other for Government of Eswatini contributions. The funds received from IFAD shall be used for the sole purpose of paying for eligible expenses of the Project.

9. The Borrower shall provide counterpart financing for the Project, in cash and in kind. The in-kind contribution will be in the form of forgone taxes and duties, office space and administrative support to the Project. The cash contribution will amount to an equivalent of five million and one hundred thousand United States dollars (USD 5 100 000) and in-kind contribution equivalent of two million five hundred thousand United States dollars (USD 2 500 000).

## **Section C**

1. The Lead Project Agency shall be the Eswatini Water and Agricultural Development Enterprise (EWADE), an implementing agency under the Ministry of Agriculture.

2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

3. The Project Completion Date shall be the eight anniversary of the date of entry into force of this Agreement and the Financing Closing Date will be established as specified in the General Conditions.

4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

## **Section D**

1. The Fund will administer the Financing and supervise the Project.

## **Section E**

1. The following are designated as additional grounds for suspension of this Agreement:

- (a) The Project Implementation Manual (the "PIM") and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.
- (b) The Project Manager or other key Project staff have been removed from the Project without the prior consultation with the Fund.

2. The following is designated as an additional ground for cancellation of this Agreement:

- (a) In the event that the Borrower did not request a disbursement of the Financing for a period of at least 12 months without justification.

3. The following are designated as additional (general/specific) conditions precedent to withdrawal:

- (a) The IFAD no objection to the PIM shall have been obtained.
- (b) Key Project staff have been appointed as indicated in paragraph 11, Schedule 3 of this Agreement.

4. This Agreement is subject to ratification by the Borrower.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

The Principal Secretary,  
Ministry of Finance,  
Finance Building  
Mhlambanyatsi Road, Mbabane  
Eswatini

For the Fund:

The President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

Copy to: The Country Director, Kingdom of Eswatini

If applicable, the Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement, dated \_\_\_\_\_, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

KINGDOM OF ESWATINI

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Neal H. Rijkenberg  
Minister of Finance

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

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Alvaro Lario  
President

Date: \_\_\_\_\_

## **Schedule 1**

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Target Population.* The Project shall benefit about 19,600 smallholder households (HHs) equivalent to some 117,700 people. The project design identified the following target groups:

- Production-oriented households (14,100 SHFs, 72% of project target) which use small scale irrigation with potential for commercial activities but remain vulnerable to climate shocks, benefiting from support to productivity and production increase.
- Poor households (2,000 SHFs, 10% of project target) who do not meet their minimal needs, benefiting from support for food and nutrition security.
- Environmentally vulnerable farmers (1,200 HHs, 6% of project target) in the micro catchments around the water-infrastructure and the irrigation areas (1 km radius), benefiting from INRM-based interventions (e.g., soil and water conservation, gabions, reforestation).
- Near poor households (2,300 HHs, 12% of project target), benefiting from jobs creation at various VC levels. SAPEMP will target 40% women, 30% young females and males and 5% vulnerable groups and PWDs.

2. *Project area.* The Project will be national in scope covering all four regions: Hhohho, Lubombo, Manzini, and Shiselweni. The south-eastern regions of Lubombo and Shiselweni have the highest proportion of people living in poverty while the Manzini and Hhohho regions have the highest absolute number of poor people, also given the higher population density characterizing those areas. Shiselweni and Lubombo regions have widespread prevalence of poverty and malnutrition in the middleveld and lowveld areas, also due to their climatic vulnerability (the "Project Area").

3. *Goal.* The goal of the Project is to contribute to the sustainable reduction of poverty in rural Eswatini by improving sustainable food and nutrition security among poor households, with a strong focus on youth, gender, nutrition, Climate Change and environment.

4. *Objectives.* The objective of the Project is to sustainably increase SHFs' production, nutrition and incomes and build their resilience to climate change through 3 outcomes: (i) Production and productivity of the target value chains increased, resilience and nutrition of smallholder farming households improved; (ii) Incomes of rural smallholders from marketing of supported value chains improved; (iii) Service delivery by stronger government and rural institutions improved.

5. *Components.* The Project shall consist of the following Components:

**5.1 Component 1: Production and productivity of the target value chains increased, resilience and nutrition of smallholder farming households improved.** This component aims to improve the resilience, production, productivity, and nutrition of SHFs. These results will be achieved with investments in infrastructures for water harvesting, micro-catchment protection, postharvest handling and marketing. The component is organized around two subcomponents.

**5.1.1 Sub-Component 1.1: Community-based INRM, climate-smart production and nutrition.** This sub-component fosters the adoption of climate-smart practices and technologies, including digital solutions. The entry point to the activities under this sub component will be through Community Development Plans (CDPs) to increase the overall project sustainability and favour community mobilisation and empowerment. Its outputs are: 1.1 Inclusive access to improved climate smart technologies and nutrition sensitive

practices; 1.2 Digital platforms developed; 1.3 Environment, INRM and climate focused interventions developed. It comprises the following activities: Community mobilisation and empowerment; Production and productivity improvement and cluster development; Gender equality, women and youth empowerment; Community-based integrated natural resources management and climate-focused investments, including climate and weather information; Support for improved food security and nutrition.

**5.1.2 Sub-Component 1.2: Climate-proofed production and market infrastructure developed.** This sub-component promotes investments in climate-resilient infrastructures to benefit clusters supported in 1.1 to improve their production and post-harvest management of their produce. Its output is: 1.4: Inclusive climate proofed production and market infrastructure developed. It comprises the following activities: Development of small earth dams and irrigation schemes; Development of Cluster-Level Multi-purpose Collection Centres (MCC); Capacitation of Chiefdoms through CDCs/clusters to manage public infrastructure investments; Construction of infrastructure at community level and at cluster level.

**5.2 Component 2: Incomes of rural smallholders from marketing of supported value chains improved.** The component aims to create successful business linkages between the graduated production clusters developed under sub-component 1.1 and selected AEs and market off-takers identified on business opportunities and geographic proximity. It will also strengthen financial access for clusters entrepreneurs and AE. The entry point to the activities under this component will be through AEs.

**5.2.1 Sub-Component 2.1: Improving market linkages and access in target value chains.** This sub-component develops market linkages between production clusters and AEs. Its output is: 2.1 Farmers linked to markets. Under this subcomponent the project will: Engage with key domestic AEs and key international market off-takers; Support the development of business-to-business (B2B) relationships; Focused support to AEs and production clusters and youth; Provide ancillary private enterprise development; Support the digitalization of the value chain.

**5.2.2 Sub-Component 2.2: Access to green and VC financial services.** This sub-component aims at facilitating access to appropriate, accessible and sustainable financial services to VC actors, leveraging the experience with FINCLUDE and the expertise in the Center for Financial Inclusion (CFI). Ac

**5.3 Component 3: Service delivery by stronger government and rural institutions improved.** It will be achieved through strengthening of public institutions for effective service delivery, and support for the operationalization of key enabling policies. The Component will support the creation of an enabling environment for the achievement of the outcomes of the first two components.

**5.3.1 Sub-Component 3.1: Policy support and institutional strengthening.** This subcomponent will support policy development and strengthening of key institutions. Its outputs are: 3.1 policy support strengthened; and 3.2 institutions strengthened.

**5.3.2 Sub-Component 3.2 Project coordination.** SAPEMP will be implemented over a period of 8 years from 2024-31. On behalf of MoA, EWADE will set up and house a PMU embedded into its existing structure. The role of the PMU is: planning and coordinating project implementation, financial management and control, procurement support, M&E, KM&L, and progress reporting. Key project personnel is outlined Schedule 3, section 10, while the complete list of project staff is included in the PDR and PIM.

## **II. Implementation Arrangements**

6. *Lead Project Agency.* MoA will be the Executing Agency and will assign the parastatal, EWADE as the Lead Implementing Agency (LIA). EWADE has long standing experience with managing IFAD-funded investments and is currently implementing SMLP.

7. *Project Oversight Committee.* A Project Steering Committee (PSC) will be established to provide policy guidance and oversight of Project implementation. It will be convened and chaired by Principal Secretary MoA or an authorised representative, with representatives from MTEA, MoF, MTAD, Ministry of Economic Planning and Development (MEPD), Ministry of Natural Resources and Energy (MNRE), Nationally Determined Authority (NDA), FAO, National Maize Corporation (NMC), Eswatini Environment Authority (EEA), Meteorology department; and CEOs of EWADE, and of the National Agriculture Marketing Board (NAMBoard). The PSC will: (i) review project approaches, strategies, milestones, progress and achievements; (ii) provide strategic guidance to the PMU and ensure that SAPEMP contributes to the higher-level sector policy and strategic goals; (iii) review and approve the AWPBs, procurement plans and annual reports, and (iv) initiate follow-up actions on lessons and findings from the project.

8. *Project Management Unit.* The PMU will be responsible for overall financial management of the Project and for supporting and overseeing financial functions of implementing partners. It will release funds against agreed plans, drawn out of the approved AWPBs, disburse funds to implementing agencies and coordinate monitoring and financial reporting for the Project as a whole. Disbursements from IFAD will be made by way of an advance to Designated Accounts, with subsequent replenishments quarterly based on interim financial reports (IFRs) cash forecasts, aligned to approved AWPB which will be prepared with adequate details showing financiers and proportion of financing for each activity to guide finance teams in expenditure mapping. Project budgeting will be done in accordance with existing GoE's procedures. The AWPB shall be approved by the Project Steering Committee (PSC) and provided with no-objection by IFAD.

9. *Implementing partners.* During implementation, SAPEMP will make use of participatory planning, monitoring and implementation processes. Involvement of traditional structures such as CDCs and seeking alignment with CDPs will support community-level ownership of project interventions. Implementation of project activities will leverage on the existing strong partnerships that the IFAD Eswatini country programme has built with several key GoE ministries including MoA, MoF, MTAD, MTEA, and parastatal entities.

10. *Monitoring and Evaluation.* M&E will be undertaken both at project level and MoA's level to ensure coordination with stakeholders and partners. The project will follow the GoE planning calendar (October-March). Annual priorities will be aligned to the expected results of the project as well as the MoA medium-term expenditure framework. The project M&E system will be based on the logical framework to guide continuous performance assessment. Intentional indicator selection has been done to allow tracking of social and economic performance of target groups, especially women, youth and PWDs. Thus, all person-based indicators have been disaggregated by sex, age and by disability. The M&E system will be developed in accordance with the requirements of IFAD and GoE and shall be coordinated by MoA as the executing agency and managed by the PMU. The Resilience Design and Monitoring Tool (RDMT) will be embedded within the M&E arrangements of the project to enhance assessment of target beneficiaries' resilience. The RDMT questions will be included in the Monitoring Reporting and Verification (MRV) system for data collection. An M&E plan shall be developed at the beginning of implementation to inform project management decision-making ensuring achievement of the project objectives, guide project M&E functions, enable timely reporting to all stakeholders. A detailed operational logframe and information management system (IMS) integrated with the AIIS at MoA, will also be prepared for day-to-day project monitoring.

11. *Knowledge Management.* A KM and communication strategy (KMCS) will be prepared at the beginning of implementation. KM activities will ensure that project data will be analysed and disseminated (also using the MoA's KM portal) as lessons learned from the field, and as evidence generated to policy development. A knowledge management and communication action plan that outlines specific activities on how information is to be obtained, analysed, and disseminated, will also be formulated in line with the KMCS and integrated in the project's AWPB.

12. *Project Implementation Manual.* A comprehensive Project Implementation Manual (PIM) will be finalized at project start-up, together with an AWPB, procurement plan and terms of reference for various service providers to be procured, and to ensure implementation readiness. Any revisions to the PIM and AWPB shall have to be previously approved by the Fund.

## Schedule 2

### *Allocation Table*

1. *Allocation of Financing Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the IFAD Loans and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

<b>Category</b>	<b>Loan 1 Allocated (Expressed in USD)</b>	<b>Loan 2 Allocated (Expressed in USD)</b>	<b>Percentage net of taxes</b>
I. Technical Assistance & Consultancies	850 000	580 000	100%
II. Goods, Services and Inputs	1 730 000	1 470 000	100%
III. Training Workshop & Meetings	2 470 000	1 090 000	100%
IV. Credit and Guarantee funds	870 000	300 000	100%
V. Operating Cost	2 250 000	610 000	100%
Unallocated	900 000	450 000	
<b>TOTAL</b>	<b>9 070 000</b>	<b>4 500 000</b>	

(b) The terms used in the Table above are defined as follows:

- (i) Goods, services and inputs include eligible expenditures for cost associated with civil works.
- (ii) Training Workshop and Meetings include eligible expenditures to support; (a) community mobilization, (b) production and productivity enhancement, (c) business development, (d) cluster formation, (e) women and youth empowerment, (f) nutrition-sensitive activities, (g) financial literacy, (h) policy development.
- (iii) Credit and guarantee funds include eligible expenditures for cost associated with subsidies and grants.
- (iv) Operating cost include eligible expenditures for cost associated with salaries, allowances and benefits.

2. *Disbursement arrangements*

- (a) **Start-up Advance.** Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of five hundred thousand USD (USD 500 000). Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

## **Schedule 3**

### *Special Covenants*

#### **I. General Provisions**

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan Accounts if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within 6 months of entry into force of the Financing Agreement, the Project will procure and install a customized accounting software as it is the practice in IFAD on-going supported projects, to satisfy International Accounting Standards and IFAD's requirements.
2. Within six (6) months of entry into force of the Financing Agreement, the Project will enter into Memorandum of Understandings (MoU) with implementing partners that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, accounting and reporting.
3. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement].
4. *Gender.* The Borrower shall ensure that SAPEMP will increase women economic empowerment, reduce workloads through technology, increase women's decision making at household and community levels while facilitating joint household benefits sharing and policy engagement for gender transformation.
5. *Indigenous People (IP) Concerns.* The Borrower shall ensure that the concerns of IPs are given due consideration in implementing the Project and, to this end, shall ensure that:
  - (a) the Project is carried out in accordance with the applicable provisions of the relevant IP national legislation;
  - (b) indigenous people are adequately and fairly represented in all local planning for Project activities;
  - (c) IP rights are duly respected;
  - (d) IP communities, participate in policy dialogue and local governance;
  - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected<sup>1</sup>;
  - (f) The Project will not involve encroachment on traditional territories used or occupied by indigenous communities.
6. *Land tenure security.* The Borrower shall ensure that the land acquisition process has already been completed and that compensation processes were consistent with international best practice and free prior and informed consent principles.
7. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
8. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.

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<sup>1</sup> Refer to ILO 169, 1989 when ratified.

9. *Use of Project Vehicles and Other Equipment.* The Borrower shall ensure that:

- (a) all vehicles and other equipment procured under the Project are exclusively allocated for Project implementation;
- (b) The types of vehicles and other equipment procured under the Project are appropriate to the needs of the Project; and
- (c) All vehicles and other equipment transferred to or procured under the Project are dedicated solely to Project use.

10. *IFAD Client Portal (ICP) Contract Monitoring Tool.* The Borrower shall ensure that a request is sent to IFAD to access the project procurement Contract Monitoring Tool in the IFAD Client Portal (ICP). The Borrower shall ensure that all contracts, memoranda of understanding, purchase orders and related payments are registered in the Project Procurement Contract Monitoring Tool in the IFAD Client Portal (ICP) in relation to the procurement of goods, works, services, consultancy, non-consulting services, community contracts, grants and financing contracts. The Borrower shall ensure that the contract data is updated on a quarterly basis during the implementation of the Project.

11. *The Key Project Personnel* are: Project Manager, Project Accountant, Monitoring and Evaluation Specialist, Knowledge Management and Communication Specialist, Horticulture, Cropping Value Chain and Markets Specialist, Procurement Specialist, Gender, youth, social inclusion and nutrition specialist, Climate and Environment Specialist]. In order to assist in the implementation of the Project, the PMU, unless otherwise agreed with IFAD, shall employ or cause to be employed, as required, key staff whose qualifications, experience and terms of reference are satisfactory to IFAD. The preferred method of staffing the Key Project Personnel shall be competitive recruitment, under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The recruitment of Key Project Personnel is subject to IFAD's prior review as is the dismissal of Key Project Personnel. Key Project Personnel are subject to annual evaluation and the continuation of their contract is subject to satisfactory performance. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations or the ILO International Labour Standards (whichever is more stringent) in order to satisfy the conditions of IFAD's updated SECAP. Repeated short-term contracts must be avoided, unless appropriately justified under the Project's circumstances.

## **II. SECAP Provisions<sup>2</sup>**

1. The Borrower shall carry out the preparation, design, construction, implementation, and operation of the Project in accordance with the nine standards and other measures and requirements set forth in the Updated Social, Environmental Climate Assessment Procedures of IFAD ("SECAP 2021 Edition"), as well as with all applicable laws and regulations to the Borrower and/or the sub-national entities relating to social, environmental and climate change issues in a manner and substance satisfactory to IFAD. The Borrower shall not amend, vary or waive any provision of the SECAP 2021 Edition, unless agreed in writing by the Fund in the Financing Agreement and/or in the Management Plan(s), if any.

2. For projects/Projects presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Project in accordance with

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<sup>2</sup> New SECAP provisions for all projects that pass concept review after 1 September 2021.

the measures and requirements set forth in the Environmental and Social Impact Assessments (ESIAs)/Environmental, Social and Climate Management Frameworks (ESCMFs) and/or Resettlement Action Plans/Frameworks (RAPs/Fs) and Environmental, Social and Climate Management Plans (ESCMPs) for high risk projects and Abbreviated ESIAs and/or Abbreviated RAP/F and ESCMPs for substantial risk projects and Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), Pesticide Management Plans, Cultural Resources Management Plans and Chance Finds Plans] (the “Management Plan(s)”), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

The Borrower shall not amend, vary or waive any provision of the ESCMPs and Management Plan(s), unless agreed in writing by the Fund and if the Borrower has complied with the same requirements as applicable to the original adoption of the ESCMPs and Management Plan(s).

3. The Borrower shall not, and shall cause the Executing Agency, all its contractors, its sub-contractors and suppliers not to commence implementation of any works, unless all Project affected persons have been compensated and/or resettled in accordance with the specific RAP/Abbreviated RAP, FPIC and/ or the agreed works and compensation schedule.

4. The Borrower shall cause the Lead Project Agency to comply at all times while carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. The Borrower shall disclose the draft and final ESIA reports and all other relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project-affected area, in a form and language understandable to Project-affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

6. The Borrower shall ensure or cause the Executing Agency and Implementing Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the Management Plan(s), if any.

7. The Borrower will ensure that a Project-level grievance mechanism is established that is easily accessible, culturally appropriate, available in local languages, and scaled to the nature of the Project’s activity and its potential impacts to promptly receive and resolve concerns and complaints (e.g. compensation, relocation or livelihood restoration) related to the environmental and social performance of the Project for people who may be unduly and adversely affected or potentially harmed if the Project fails to meet the SECAP standards and related policies. The Project-level grievance mechanism needs to take into account indigenous peoples, customary laws and dispute resolution processes. Traditional or informal dispute mechanisms of affected indigenous peoples should be used to the greatest extent possible.

8. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below); labor issues or to adjacent populations during Project implementation that, with respect to the relevant IFAD Project:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or create material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Project-affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and
- Adjust, as appropriate, the Project-level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

**Serious ESHS incident** means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in loan or within the Borrower's activities. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and - violence involving Project workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegation that require intervention by the police/other law enforcement authorities, such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) to create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

9. The Borrower shall ensure or cause the Executing Agency, Implementing Agency, contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the ESCMPs and Management Plan(s) (if any) are respected.

10. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and/accidents occurring during the design stage, the implementation of the Project and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports ; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

11. The Borrower shall fully cooperate with the Fund concerning supervision missions, midterm reviews, field visits, audits and follow-up visits to be undertaken in accordance with the requirements of SECAP 2021 Edition and the Management Plan(s) (if any) as the Fund considers appropriate depending on the scale, nature and risks of the Project.

12. In the event of a contradiction/conflict between the Management Plan(s), if any and the Financing Agreement, the Financing Agreement shall prevail.

## Logical framework

Results Hierarchy	Indicators					Means of Verification			Assumptions	
		Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility		
Outreach	<b>1 Persons receiving services promoted or supported by the project</b>					Progress report	Annual	EWADE-PMU	1) 40% of persons receiving project support are women 2) 60% of persons receiving project support are men 3) 30 % of persons receiving project support are the youth (50% of them are women). A youth is defined as a person aged between 18 and 35 (inclusive). PWDs are assumed to be 5% of the target group HHs that receive project support are 20% female headed 6 members on average in one HH	
	Males - Males	0	5880	11760						
	Females - Females	0	3920	7840						
	Young - Young people	0	2940	5880						
	Total number of persons receiving services - Number of people	0	9800	19600						
	Persons with disabilities - Number	0	490	980		Progress report	Annual	EWADE-PMU		
	<b>1.a Corresponding number of households reached</b>									
	Women-headed households - Households	0	1960	3920						
	Non-women-headed households - Households	0	7840	15680						
	Households - Households	0	9800	19600						
Project Goal	<b>1.b Estimated corresponding total number of households members</b>					Progress report/MIS	Annual	EWADE-PMU		
	Household members - Number of people	0	58800	117600						
	<b>Reduction in poverty levels in rural Eswatini</b>					Impact Surveys	Baseline, Midline and Endline survey	Eswatini Central Statistics Office (CSO)	Households are willing to change their nutrition behaviours (A) Increased incomes will be used on household improvements (A) Unstable political, macro-economic environment. (R)	
	Contribute to sustainable reduction of poverty in rural Eswatini									
	Percentage reduction of poverty levels - Percentage (%)	0	2	5						
	<b>Number of households whose combined resilience has increased</b>					Resilience Scorecard Tool (RDMT) surveys	Baseline, Midline and endline survey	EWADE-PMU and IFAD ECG		
	Total households - Number	0	5880	11760						
	Total persons - Percentage (%)	0	30	60						
Development Objective	<b>Households with improved food, nutrition and income security</b>					National statistics, household surveys	Baseline, midline, completion	PMU, CSO	Adoption of technologies and practices (A) Communities willing to work together in clusters (A) Uptake of financial products by beneficiaries (A) Youth engage in VC development activities(A) Assuming 30Ha of wetland, 471Ha of grassland (50% of catchment area of 942Ha) under earthdams, a conservative approach is followed to avoid overestimation of the carbon mitigation potential as data about tree density is not yet available. Promotion within farm tree planting over a surface of 11,760 hectares (about 40% of the targeted farms). Total area considered under climate mitigation and adaptation activities is 30372	
	Household - Number	0	7350	14700						
	Household - Percentage (%)	0	38	75						
	Household members - Number	0	44100	88200						
	Young - Number	0	2205	4410						
	PWDs - Number	0	368	735		COI Survey	Baseline, Midline and endline survey	EWADE-PMU, ESEPARC and CSO		
	<b>IE.2.1 Individuals demonstrating an improvement in empowerment</b>									
	Total persons - Percentage (%)	0	50	100						
	Total persons - Number of people	0	9800	19600						
	Females - Percentage (%)	0	20	40						
	Females - Females	0	3920	7840		FAO EX-ACT tool	Baseline and Completion	IFAD ECG and FAO		
	Males - Percentage (%)	0	30	60						
	Males - Males	0	5880	11760						
	<b>3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered</b>									
	Hectares of land - Area (ha)	0		30372						
	tCO2e/20 years - Number	0		-448085.3						
	tCO2e/ha - Number	0		-14.8						
	tCO2e/ha/year - Number	0		-0.7						
	<b>1.2.4 Households reporting an increase in production</b>					COI Surveys,		EWADE-PMU		

<b>Outcome 1:</b> Market-oriented production and productivity of the target value chains increased, resilience and nutrition of smallholder farming households improved	Total number of household members - Number of people	0	33840	67680		Baseline, midline, completion	Adoption of technologies and practices (A) Uptake of financial products by beneficiaries (A) Communities willing to work together in clusters (A) Households are willing to change their nutrition behaviours						
	Households - Percentage (%)	0	40	80									
	Households - Households	0	5640	11280									
	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>				COI survey	Baseline, midline, completion							
	Total number of household members - Number of people	0	41520	83040									
	Households - Percentage (%)	0	40	80									
	Households - Households	0	6920	13840									
	<b>1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)</b>				COI Survey	Baseline, Midline, endline	EWADE-PMU, National Nutrition Council						
	Households (number) - Households	0	6440	12880									
	Households (%) - Percentage (%)	0	33	66									
<b>Output 1.1:</b> Inclusive access to improved climate smart technologies and nutrition sensitive practices	Household members - Number of people	0	38640	67680	Progress Reports/IMS/AIIS	Annual	EWADE-PMU	Assuming all commercial producers will be trained on production All project beneficiaries will participate in SBCC interventions					
	<b>1.1.4 Persons trained in production practices and/or technologies</b>												
	Men trained in crop - Males	0	4230	8460									
	Women trained in crop - Females	0	2820	5640									
	Young people trained in crop - Young people	0	2115	4230									
	Total persons trained in crop - Number of people	0	7050	14100	Progress reports/IMS/AIIS	Annual	EWADE-PMU						
	Persons with disabilities trained in crop - Number	0	353	705									
	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>												
	Total persons participating - Number of people	0	1000	2000									
	Males - Males	0	600	1200									
<b>Output 1.2:</b> Digital Platforms Developed	Females - Females	0	400	800	Progress reports/IMS/AIIS	Annual	EWADE-PMU						
	Households - Households	0	1000	2000									
	Household members benefitted - Number of people	0	6000	12000									
	Young - Young people	0	300	600									
	Number of persons with disabilities - Number	0	50	100									
	<b>Beneficiaries accessing digital advisory services</b>												
<b>Output 1.3:</b> Environment, INRM and climate focused interventions developed	Total persons accessing digital services - Number	0	5288	10575	Progress reports/IMS/AIIS	Annual	EWADE-PMU	Digital platforms will be used both for extension and marketing advisory services					
	Males - Number	0	3173	6345									
	Females - Number	0	2115	4230									
	Young - Number	0	1586	3173									
	PWDs - Number	0	264	529									
<b>Output 1.4:</b> Inclusive Climate proofed Production and	<b>3.1.1 Groups supported to sustainably manage natural resources and climate-related risks</b>				Progress reports/IMS/AIIS	Annual	EWADE-PMU	INRM initiatives will be implemented at cluster level and community level (within 1Km radius of the clusters) level					
	Total size of groups - Number of people	0	7650	15300									
	Groups supported - Groups	0	77	153									
	Males - Males	0	4590	9180									
	Females - Females	0	3060	6120									
	Young - Young people	0	2295	4590									
	<b>1.1.2 Farmland under water-related infrastructure constructed/rehabilitated</b>				Progress reports/IMS/AIIS/Contactor Reports	Annual	EWADE-PMU	Assuming infrastructure will be carried out on existing schemes previously developed under KDDP, LUSIP 1, LUSIP 2, SMLP and FINCLUDE					
	Hectares of land - Area (ha)		494	987									
	<b>2.1.6 Market, processing or storage facilities constructed or rehabilitated</b>												

Market infrastructure developed	Total number of facilities - Facilities	0	23	45	Progress reports/IMS/AIIS/Contactor Reports			2.1.6 Collection centres						
	Storage facilities constructed/rehabilitated - Facilities	0	23	45										
<b>Outcome 2: Incomes of rural smallholders from marketing of supported value chains improved</b>	<b>2.2.1 Persons with new jobs/employment opportunities</b>				COI survey	Baseline, midline, completion	PMU	<p>Youth engage in VC development activities(A)</p> <p>Private sector/local anchor enterprises willing to partner with SHF (A)</p> <p>FSPs willing to engage in the agricultural sector(A)</p> <p>Continued migration in pursuit of better livelihoods (R)</p> <p>Assuming a maximum of 100 people organised in clusters per production zone and that 65% of supported clusters will engage in formal partnerships</p> <p>Assuming that only 80% of the organisations are able to record increase in sales</p>						
	Males - Males	0	460	920										
	Females - Females	0	690	1380										
	Young - Young people	0	345	690										
	Total number of persons with new jobs/employment opportunities - Number of people	0	1150	2300										
	Persons with disabilities - Number	0	58	115										
	<b>2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</b>					COI Survey	Baseline, Midline, Completion	EWADE-PMU						
	Number of POs - Organizations	0	56	113										
	Percentage of POs - Percentage (%)	0	50	100										
	Number of POs - crop - Organizations	0	56	113										
	<b>2.2.5 Rural producers' organizations reporting an increase in sales</b>				COI Survey	Baseline, Midline, Completion	EWADE-PMU							
	Percentage of rural POs - Percentage (%)	0	40	80										
	Number of Rural POs - Organizations	0	45	90										
	Rural POs - crop - Organizations	0	45	90										
<b>Output 2.1: Farmers linked to markets</b>	<b>2.1.1 Rural enterprises accessing business development services</b>				Progress reports/MIS	Annual	EWADE-PMU	B2B engagements will lead to market linkages for farmers						
	Size of enterprises - Enterprises	0	689	1378										
	Rural enterprises - Enterprises	0	125	251										
	<b>2.1.3 Rural producers' organizations supported</b>													
	Total size of POs - Organizations	0	7050	14100										
	Rural POs supported - Organizations	0	71	141	Progress reports/MIS	Annual	EWADE-PMU							
	Males - Males	0	4230	8460										
	Females - Females	0	2820	5640										
	Young - Young people	0	2115	4230										
	Rural POs supported that are headed by women - Organizations	0	28	56										
<b>Output 2.2: Financial instruments implemented</b>	Persons with disabilities - Number	0	353	705										
	<b>Financial Instruments implemented</b>				Progress reports/MIS	Annual	EWADE-PMU, EEF, CFI	Financial instruments will be accessed and used by beneficiaries as expected and upon receiving financial literacy						
	Green Challenge Fund - Money (USD' 000)	0	62.5	125										
	Agriculture Index Insurance - Money (USD' 000)	0	125	250										
	Financial Risk Management Facility - Money (USD' 000)	0	250	500										
	Climate Finance Facility - Money (USD' 000)	0	1000	2000	Progress reports/MIS	Annual	EWADE-PMU							
	<b>1.1.7 Persons in rural areas trained in financial literacy and/or use of financial products and services</b>													
	Males - Males	0	4305	8611										
	Females - Females	0	2870	5740										
	Young - Young people	0	2153	4305										
	Persons in rural areas trained in FL and/or use of FProd and Services (total) - Number of people	0	7175	14351										
	Persons with disabilities - Number	0	359	718										

<b>Outcome 3:</b> Service delivery by stronger government and rural institutions improved	<b>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</b>	COI survey	Baseline, midline, completion	EWADE-PMU	Budget for policy implementation is availed by government and capacity for operationalization exists at local level (A). Project interventions satisfactorily implemented
	Number - Number	0	1	3	
	<b>SF.2.1 Households satisfied with project-supported services</b>	COI survey	Baseline, midline, completion	EWADE-PMU	
	Household members - Number of people	0	47040	94080	
	Households (%) - Percentage (%)	0	40	80	
	Households (number) - Households	0	7840	15680	
	<b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b>	COI survey	Baseline, midline, completion	PMU	
	Household members - Number of people	0	47040	94080	
	Households (%) - Percentage (%)	0	40	80	
	Households (number) - Households	0	7840	15680	
<b>Output 3.1:</b> Policy support strengthened	<b>Policy 1 Policy-relevant knowledge products completed</b>	Progress reports/MIS	Annual	EWADE-PMU	Relevant policies reviewed to enhance their relevance
	Number - Knowledge Products	0	3	6	
<b>Output 3.2:</b> Institutions strengthened	<b>Supported Rural and Government Institutions</b>	Progress reports/MIS	Annual	EWADE-PMU	capacity of the supported institutions is built
	Number of Institutions - Number	0	56	113	

## Integrated project risk matrix

Risk Category/Subcategory	Inherent	Residual
<b>Country context</b>		
<b>Political commitment</b>	Substantial	Substantial
<b>Risk:</b> Significant changes in the leadership of the government agencies implementing the project, due to the political nature of appointments, would disrupt project implementation.	Substantial	Substantial
<b>Mitigations:</b> IFAD is taking an increasingly active role in CLPE, engaging with broad spectrum of stakeholders in different ministries and institutions, from the highest-ranking officers to technical specialists.		
<b>Governance</b>	Substantial	Substantial
<b>Risk:</b> Lack clarity with regards to the roles and responsibilities of Implementing and Executing agencies, Service Providers and executing partners bearing a negative impact on project results	Substantial	Substantial
<b>Mitigations:</b> The design of SAPEMP involved dialogue with government and implementing partners to analyse past and current implementation arrangements and to determine based on the lessons learned, the implementation arrangements which offer the best efficiencies for this project.		
<b>Economic stability</b>	Substantial	Substantial
<b>Risk:</b> The combination of slow economic growth and high inflation led to a slight increase in the poverty rate in 2022. The fiscal deficit increased in 2023, driven by an increase in wages and security spending. High vulnerability to external shocks, natural disasters, and economic shocks undermines economic growth, and inequality reduction. The fiscal situation has been fragile due to overreliance on volatile customs revenues.	Substantial	Substantial
<b>Mitigations:</b> SAPEMP will provide SHFs and AEs with support to cope with the unstable economic context. Specifically the project will: provide timely technical advice on production and marketing issues by extension services; realize investments in irrigation schemes, packhouses, and post-harvest management infrastructures which contribute to improvement of incomes; integrate value chain and business development strategy and promote market-led and business-oriented advisory services for SHFs, clusters, AEs and service providers service and for business start-up; implement community-based planning, develop farmers clusters for a joint and resilient production and support the preparation and adoption of business plans before planting season; conduct financial training, and introduce instruments and insurances to strengthen farmer resilience to market changes; build capacity of SHFs on business skills, negotiation and marketing.		
<b>Fragility and security</b>	Substantial	Substantial
<b>Risk:</b> The civil unrest experienced in 2021 and simmering tensions, if unaddressed could weaken confidence in the Government could negatively impact the project. There is a risk of delays in the implementation due to boycotting or disruption of interventions.	Substantial	Substantial

<b>Mitigations:</b> the following mitigation measures have been identified: 1) Continued strong inter-sectoral and multi-stakeholder coordination including engagements NGOs and the private sector; 2) Implementation of grievance redress and beneficiary feedback mechanisms to address perceptions of negative impacts of project interventions and to keep them updated on project processes; 3) Continued transparency in procurement, competitive recruitments and beneficiary selection; and 4) Regular monitoring, evaluation and reporting mechanism and platforms to share results, promote accountability and transparency about impact 5) creating opportunities for youth in the project activities.		
<b>Policy alignment</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk:</b> The risk that due to lack of capacity and low commitment, the Government will fail to enforce the implementation of national strategies and policies such as the National Climate Change Policy, among others, which would limit project impact.	Substantial	Substantial
<b>Mitigations:</b> The project will focus on institutional strengthening and policy support for the implementation of key strategies and policies which have an impact on project implementation e.g., to enhance climate finance flows from private sector to value chain actors and smallholders. Also, SAPEMP's design is fully aligned with the recently approved National Agriculture Investment Plan (NAIP) –II and its strategic axes, which will guide Government of Eswatini's next 5 years investments and strategies for the transformation of the agricultural sector.		
<b>Policy development &amp; implementation</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk:</b> Weak policy environment for regulation of markets and production. Currently, parastatals that are meant to regulate the vegetable and legume value chains (NAMBOARD and NMC) are also participating as market players and competing with private sector. The Government is currently working on reforming the parastatals to restore their regulatory role and not to participate as market players.	Substantial	Substantial
<b>Mitigations:</b> The project will support the government and relevant institutions through policy dialogue in the quest to reform parastatals to enable private sector participation.		
<b>Environment and climate context</b>		
<b>Project vulnerability to environmental conditions</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk:</b> Eswatini experiences environmental challenges/risks (see further details in Annex 5). The project may experience major environmental challenges such as land degradation due to poor farming practices, low availability of water due to droughts and soil erosion due to extreme rainfall events that may affect agriculture productivity and market participation.	Substantial	Substantial
<b>Mitigation:</b> The project will promote sustainable land management practices such as Climate-smart agriculture, watershed conservation and integrated natural resource management.		

<b>Project Vulnerability to climate change impacts</b> Eswatini is highly vulnerable to climate change and extreme weather events. The key climate risks include floods, hailstorms, frost, droughts, heat waves, cyclones, and unreliable rainfall patterns. Future climate projections show that mean temperatures will keep increasing and hot days, dry spells, floods and heatwaves, will become more frequent. Rainfall patterns are expected to become more uncertain and erratic, resulting in greater frequency and intensification of droughts and floods.	Substantial	Substantial
<b>Mitigations:</b> The project promotes climate smart agricultural practices, agroforestry, wetland conservation, climate and weather advisories, early warning systems, use of drought tolerant varieties, renewable energy, climate proofing infrastructure including shade nets and green houses, water harvesting and irrigation, sustainable land management practices (e.g., soil erosion control structures, agroforestry, integrated soil fertility management), climate finance/insurance, and green innovations and enterprises.		
<b>Greenhouse gas emissions</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk:</b> The project will intensify agriculture production, enhancing crop productivity. There is a risk that intensive crop cultivation coupled with unsustainable input use will significantly contribute to increase greenhouse gas emissions, thereby contributing to anthropogenic climate change.	Moderate	Moderate
<b>Mitigations:</b> The project will promote sustainable agriculture practices including minimum tillage, agroforestry, land rehabilitation, use of bio-pesticides and integrated pest management to lower GHG emissions. The FAO EX-ACT tool will be used to assess the amount of GHG emissions reduced or carbon sequestered at the beginning of the project (baseline) and at project completion.		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk:</b> Agriculture production supported by the project may be significantly affected by extreme weather conditions such as floods, hailstorms, drought that may negatively impact livelihoods of targeted populations.	Substantial	Substantial
<b>Mitigations:</b> The project will be climate focused. Thus, most funds will go towards climate adaptation measures, building climate resilience for communities and along the proposed value chains, and will generate mitigation co-benefits. Mobilization of climate finance from the GCF will further bolster climate risk adaptation and mitigation actions. This will include investments in climate-proofed infrastructure, development of irrigation systems and activities to enhance integrated natural resource management.		
<b>Biodiversity conservation</b>	<b>Low</b>	<b>Low</b>
<b>Risk:</b> SAPEMP aims to commercialize smallholder farmers' production through focused investments in specific value chains. There is a risk to enhance monocropping and associated loss of biodiversity and availability of various sources of nutritious food.	Low	Low

<b>Mitigations:</b> The project will promote nature-based solutions such as landscape approaches to ecosystem management, sustainable land management and adoption of climate-smart practices, and land rehabilitation measures which will help managing possible risks. The production system will ensure rotations with legumes, and planting of different types of vegetable that have different nutrition benefits as well. Nutrition focused activities at the homestead level will ensure availability of nutritious food for the poor while better off farmers will be sensitized to utilize the income pathway to achieve nutrition outcomes.		
<b>Resource efficiency and pollution prevention</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> Commercial production may result in overuse of inputs such as fertilizers and chemicals, improper disposal of containers.	Moderate	Moderate
<b>Mitigations:</b> The project will develop a pesticides management plan to enhance appropriate use of agrochemicals, incorporate biochemicals, and promote integrated pesticides management measures. As part of safeguards, measures will be taken to treat waste and encourage recycling within the farms and along the value chain. Investments in NbS, ecosystem services, renewable energy, water harvesting, irrigation etc. will further reduce the risk of inefficient use of resources.		
<b>Social impact</b>		
<b>Cultural heritage</b>	<b>Low</b>	<b>Low</b>
<b>Risk:</b> SAPEMP includes some activities for infrastructure that may be located in cultural sites or can cause significant land degradation, and displacement of populations	Low	Low
<b>Mitigations:</b> The project will avoid sites that are likely to interfere with or cause injury to or loss of cultural heritage. This will be included in the exclusion list of the proposed ESMF and abbreviated ESIA and monitored during project implementation. In sites where it maybe suspected at design, that there are elements of cultural heritage, the chance find procedures provided for in the updated SECAP 2021 will be applied.		
<b>Indigenous Peoples</b>	<b>Low</b>	<b>Low</b>
<b>Risk:</b> The Kingdom of Eswatini does not formally recognise indigenous peoples since all Amaswazi are considered Indigenous.	N/A	N/A
<b>Community health and safety</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> The risk that increased agricultural activity may increase health risks associated with exposure to agro-chemicals, increase women's burden of work through focus on productivity improvement.	Moderate	Low
<b>Mitigations:</b> The project will develop a community health and safety management plan that will identify risks to community health and provide mechanisms to address them and monitor progress. These procedures will form part of the proposed ECSMP. The project will promote labour saving technologies to reduce women workloads and apply gender sensitive approaches to ensure women's needs are considered.		
<b>Labour and working conditions</b>	<b>Substantial</b>	<b>Moderate</b>

<b>Risk:</b> The increased agricultural activity promoted by the project may result in households employing child labour on and off-farm. The increased household income may also lead to increased tensions among spouses and manifestations of different forms of gender-based violence (GBV) and increase of HIV risk acquisition and management. There is risk that the project may cause discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers.	Substantial	Moderate
<b>Mitigations:</b> The project will develop a labour and working conditions management plan to identify labour and working conditions related risks and provide mitigation actions. The procedures will also align to ILO provisions on labour and working conditions, e.g. child labour, gender-based violence, sexual harassment and exploitation, etc.		
<b>Physical and economic resettlement</b>	<b>Low</b>	<b>Low</b>
<b>Risk:</b> A focus on commercialization activities of the project activities may exclude the marginalized group and their participation in economic activities.	Low	Low
<b>Mitigations:</b> The project will have targeted interventions for poor communities and will create job opportunities for women and youth along the value chain.		
<b>Project scope</b>		
<b>Project relevance</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk:</b> The risk that the use of anchor enterprises as a value chain approach is no longer priority for the government and that value chains selected do not benefit IFAD's target groups.	Moderate	Moderate
<b>Mitigations:</b> The project has been designed in a close coordination with the government and it is addressing government priorities to development of the selected value chains through private sector engagement and in line with the government strategy to restore the mandate of Parastatals as regulators and not market players, while allowing private sector to thrive. Legumes are critical crops in the current with potential for market integration while vegetables provides opportunities for market participation of smallholder farmers and improved access to locally produced crops and export potential. The value chains are relevant to the needs of smallholder farmers, and they build on IFAD's previous results in the country.		
<b>Technical soundness</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk:</b> complexity, over/insufficient-ambition – Access to financial services is expected to unlock most investments in the smallholder farmers, such as access to working capital and climate proofed infrastructure such as shade nets. Inadequate incorporation of lesson learned and best practices may affect project implementation.	Moderate	Moderate

<b>Mitigations:</b> The design is based on lessons learnt from other similar projects in the country and in other countries of the region. Lessons from FINCLUDE and SMLP on the need to graduate clusters to ensure only those that are market ready can be linked to formal markets and the need to continuously nurture the relationship between farmers and market players rather than expecting an organic relationship to be developed from Business-to-business linkages that project facilitate. These business-to-business linkages will include visit to farms for both anchors and SHF before a market arrangement is made. The design will promote innovations, such as introduction of shadenets, digital technologies for precision that have been tested elsewhere and will ensure a simple design by having few technical components and ensure components are clearly linked to each other and to project outcomes. De-risking of smallholder farmers to be bankable through several interventions including capacity building (business, Financial, Visioning, graduation and investments in public infrastructure) could provide opportunities for farmers to access financial services. Sensitizing and training financial institutions of the needs of SHF is another measure.		
<b>Institutional capacity for implementation &amp; sustainability</b>		
<b>Implementation arrangements</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk:</b> Lack of capacity among project implementing institutions leading to slow implementation progress and lower levels of designed outcomes.	Substantial	Moderate
<b>Mitigations:</b> The project will aim to use a diverse range of institutions that will include Government parastatals, public sector extension services, NGOs and private sector service providers as well as private sector anchor enterprises. Some of the target institutions have gained capacities through implementing current projects such as SMLP and FINCLUDE and the project will leverage such experiences. The use of a competitively recruited project implementation unit and provision of capacity building to implementing institutions will also mitigate these risks  Also, SAPEMP will: employ highly consultative and participatory approaches for project, targeting, implementation, monitoring and evaluation; engage in activities that advocate for the promotion of inclusive rural livelihoods and wellbeing in the country; strengthen knowledge management for sharing of project objectives, results and lessons; assure transparency in targeting and measures to effectively avoid elite capture.		
<b>M&amp;E arrangements</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> Delayed implementation progress of key activities which may lead to delayed delivery of expected project results. Poor quality of project results as a result of some or a combination limited capacity of staff to adequately execute M & E function and/or inconsistent and low-quality data; of inadequate oversight and support by relevant government agencies/departments.	Moderate	Low

<b>Mitigations:</b> Early engagement of implementing partners to ensure timely delivery of project results. SAPEMP will: develop tools and accountability reporting requirements; enhance budget controls in the implementation process; strengthen M&E capacities by providing TA and training to M&E staff coupled with use of innovative data management tools such as digital farmer diaries; conduct regular monitoring, evaluation and reporting mechanism and platforms to share results, promote accountability and transparency about impact; and involve key government agencies in Supervision and implementation support missions.		
<b>Procurement</b>		
<b>Legal and regulatory framework</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk(s):</b> The lack of national standard bidding documents and a procurement manual/user guide, as well as the incomplete sharing of data concerning procurement monitoring and methods of procurement may be a source of inefficiency for project procurement, resulting in procurement delays, higher procurement costs and reduced procurement effectiveness which may jeopardize the achievement of the PDO.	Moderate	Low
<b>Mitigations:</b> The Eswatini Public Procurement Regulatory Agency (ESPPRA) has finalized the national manual/user guide by the time of SAPEMP project design but had not yet rolled them out for use. In the meantime, SAPEMP will employ IFAD's full set of standard procurement documents, including the procurement plan template to monitor and update implementation progress of approved procurement activities.		
<b>Accountability and transparency</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk(s):</b> Medium risk of corruption (based on the 30/100 score assigned by Transparency International to Eswatini and ranking 130/180 in 2022). Low engagement of the public and civil society organizations in public procurement including as observers in various stages of the procurement process. This poses risk of lack of citizens monitoring of procurement processes to ensure public procurement processes are transparent and accountable.	Moderate	Low
<b>Mitigations:</b> The Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations shall apply to SAPEMP, vendors and third parties, in addition to the relevant national anticorruption laws. The PMU will make use of prior and ex-post reviews and of annual audits to ensure accountability and transparency. ESPPRA should create a platform for engagement/exchanges with the civil society, including building capacity, and reach out through informative sessions.		
<b>Capability in public procurement</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Risk(s):</b> non-professionalization of procurement and low recognition of procurement as a career in the public sector. This poses the risk of procurement processes being carried out by unqualified procurement practitioners and high incidences of non-compliance with the Procurement Act and Regulations.	Substantial	Moderate
<b>Mitigations:</b> ESPPRA should work with universities to incorporate procurement studies in tertiary institutions and lobby for the legislation of a Procurement Practitioners Act for public procurement to be treated as a strategic level activity in corporate structures to give the procurement profession better recognition by stakeholders. ESPPRA to conduct regular procurement training to close the skills gap among procurement practitioners. PMU procurement staff will be trained on contract management, sustainability and SECAP requirements.		

<b>Public procurement processes</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk:</b> Delays in tracking key stages of contract implementation, late payment of invoices, and coordination among various units involved could slow down the procurement process, resulting in project implementation delays, affecting the achievement of the planned targets and, consequently, of the overall PDO.	Moderate	Moderate
<b>Mitigations:</b> Adopt a risk-based approach to procurement. Train procurement staff on contract management, sustainability and SECAP requirements. SAPEMP will be set up onto the new End-to-End procurement system (OPEN) and the contract monitoring tool (CMT) functions of the IFAD Client Portal, to track and improve the quality of procurement processes and contract management, respectively.		
<b>Financial Management</b>		
<b>Organization and staffing</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk:</b> The proposed implementing agency is the Parastatal EWADE under the ministry of Agriculture. Ongoing projects in Eswatini have experienced frequent staff resignations because of the issues around compensation packages. The frequent staff changes have created knowledge gaps in the programme with detrimental effect to programme quality. Previous IFAD funded projects implemented through similar structures (PMU under EWADE) have had issues with timeliness and quality of financial reports to IFAD. Another risk is that SAPEMP also is a complex programme due to multiple financiers. While PMU shall be made up of relevantly qualified personnel with appropriate expertise in their chosen fields, there may be lack of staff familiarity with IFAD, GEF and GCF procedures.		
<b>Mitigations:</b> In order to mitigate the risk of quality and timeliness of financial reporting for the project, EWADE as a parastatal would negotiate with the Ministry of Agriculture and the Ministry of Finance to review the compensation packages for key staff to ensure staff retention. The programme would also recruit quantified and experienced finance and accounting staff to manage the programme from inception. There will be MoUs between the PMU and FAO-Eswatini which will stipulate requirement on financial reporting. Any non-compliance from the implementing partner may have their disbursements suspended as a penalty for non-compliance. Regarding familiarity with IFAD, GEF and GCF procedures, FMD will provide capacity building training to the Finance Staff who will be selected competitively. The capacity building will include familiarization with procedures on financial reporting, expenditures categorizations across components, categories, financial reporting timelines and other financial management related to the Programme.		
<b>Budgeting</b>	<b>Substantial</b>	<b>Substantial</b>

<b>Risk(s):</b> The programme has multiple financers namely IFAD, GEF, GCF, Private Sector, Government Contribution and Beneficiaries contribution. There is a risk of mix-up in budgeting and expenditure allocations to these multiple financers. There may also be a risk that annual work plans and budgets are not prepared or revised on a timely basis, and not executed in a coherent manner, resulting in funds not being available when needed, ineligible costs and reallocation of Programme funds and slow implementation progress. In Eswatini, annual programme budgets of donor projects are required to be approved into the national budget every year. There is the risk the project may not submit annual work planning and budget on time due to long administrative procedures.		
<b>Mitigations:</b> Ensure the Cost-tables, PDR and PIM have adequate details on key activities to be implemented and sources of finances for these costs. Subsequently, the AWPB will be prepared with adequate details on financing for key activities to ensure adequate guidance to the accounting team in booking of the expenditure. The MS Excel AWPB will have a column to show financers and proportion of financing should the activity be financed from several sources. The PMU will coordinate the budget preparation processes with close coordination with FAO Eswatini as the major implementer and submit for approval by following the national budget calendar. Budget monitoring will be carried out periodically, at least on quarterly basis and any significant deviations discussed within the project for remedial actions. Approved budget will be coded in the accounting system for ease of monitoring and aligning expenditure when posting.		
<b>Funds flow/disbursement arrangements</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Risk:</b> There is a risk of commingling of funds at the entity which will be provided with advances for implementation of programme activities. These includes the Central Bank of Eswatini which will receive advances from IFAD and transfers to the accounts of the PMU. Also, in addition to external development partners financing, there are Counterpart finances expected to be received from the Government of Eswatini and contributions from the private sector.		
<b>Mitigations:</b> To mitigate on risks of commingled funds and ease of accounting of any advance provided, funds will be held in Programme dedicated accounts for which there will be monthly bank accounts reconciliation and financial reports. All partnering institutions that will receive project funds will have sub- programme accounts for segregating the funds received. There will be monthly financial reports and bank recompilations by the PMU enable monitoring operations of sub-accounts and consolidation. All partnering institutions will sign MoUs clearly highlighting the requirements for a separate bank account and financial reporting requirements		
<b>Internal controls</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> The PMU will be responsible for overall financial management of the Programme. It will be responsible to release funds against agreed plans, drawn out of the approved AWPBs, disburse funds to implementing agencies and coordinate monitoring and financial reporting for the Programme as a whole. There may be a risk that appropriate controls over Programme funds are not in place, leading to the inefficient or inappropriate use of Programme resources.		

<b>Mitigations:</b> Internal controls have been instituted in the whole framework of financial and administrative procedures of EWADE. The identified controls range from; proper record keeping and posting, authorization of accounting, procurement and administrative documents, physical security of assets, double signing (approval) arrangements, to financial reporting and monitoring. There will be internal audit function to check overall compliance to internal controls and provide support towards improving systems, procedures and processes. The control environment will be monitored using both internal and external audit and oversight.		
<b>Accounting and financial reporting</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> There is a risk of delays in consolidation of programme financial reports at PMU which will be preparing consolidated financial reports for the program and inaccurate financial reporting due to the complex nature of the programme which has multiple financiers, categories and components. There are also possibility of delays and inaccuracies in financial reporting due to improper coding of transactions and the multiple currencies that may be involved.		
Mitigations: To mitigate on risks on financial reporting an appropriate accounting system will be acquired capable of multiple analysis code for reporting on component, categories, financiers, for reporting quarter, cumulative for the year and cumulative since start of the programme including recording of memorandum data on in kind contribution (IKC). There would appropriate segregation of duties around data entry, review, approval and posting to ensure accuracy and reliability. There will be standardized chart of accounts using the policies and definitions of EWADE and harmonised financial reporting template for all financiers to ease financial reporting.		
<b>External audit</b>	<b>Substantial</b>	<b>Substantial</b>
<b>Risk(s):</b> There is a risks of inadequate audit coverage of the programme audit considering OAG of Eswatini may be under-staff and not adequately resourced. There is also the risk of delays in the release of Audit reports because slow review processes and approval by the Auditor General.		
<b>Mitigations:</b> A comprehensive audit coverage plan has been prepared which will ensure adequate audit coverage. The plan provides for adequate annual audits at both PMU and FAO level, ensuring all chiefdoms are covered adequately. The project will be audited by private Audit firms. The auditor will prepare a work plan to ensure adequate coverage of the various institutions and chiefdoms that receive Programme funds and cover all the major risk areas and adequate coverage as per coverage plan. The audit terms of reference will be approved by IFAD in advance in line with the guidance provided in the IFAD Handbook on Financial Reporting and Auditing of IFAD-financed projects.		
<b>Stakeholders</b>		
<b>Stakeholder engagement/coordination</b>	<b>Moderate</b>	<b>Low</b>

<b>Risk:</b> Firstly, government stakeholders relevant to the project could feel they have been insufficiently consulted resulting in disagreement with the changes proposed by the project from a supply to a demand-driven approach. Secondly, sometimes the best development opportunities promoted by the projects are accessible to adult men in a favourable position or the same advanced groups who are prepared and trained to benefit from any project opportunity and some social groups could claim being excluded from accessing project opportunities to improve their income	Moderate	Low
<b>Mitigations:</b> Participation and consultation with stakeholders was done extensively during the development of this PCN as attested in the list of persons met. The project has also developed a draft stakeholder engagement matrix (attached to the SECAP), which identifies various stakeholders, how they will be engaged, information feedback loops and channels of communication. A detailed stakeholder engagement strategy and plan will be developed at the pre-implementation stage as part of measures to manage the risks. SAPEMP will also: make use of participatory and community-led methods of implementation, such as the highly inclusive Chiefdom Development Planning, for community buy-in ownership and sustainability; engage with traditional leadership on the threats posed by political instability and the need to address such contentious issues as access to land; mainstream conflict resolution and negotiation skills in project activities; adopt a clear social inclusion strategy to ensure engagement of youth, women, PWDs, PLWHAs and other vulnerable groups.		
<b>Stakeholder grievances</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk:</b> Ineffective or late activation of grievance/complaints redress mechanisms leading to unaddressed stakeholder complaints that may result in poor motivation and low project participation. This could undermine project implementation and achievement of project development objectives.	Moderate	Low
<b>Mitigations:</b> The project shall develop a grievance redress mechanism at the pre-implementation stage, which will guide grievance redress and conflicts management throughout the project cycle. Grievance redress processes shall be made available throughout project implementation to allow target groups to voice complaints or report wrongdoing and facilitate timely resolution of potential or realized negative impacts arising in connection with the project. The project shall ensure that grievance redress processes are easily accessible, fair, transparent, and establish clear steps and responsibilities from complaint to resolution. Stakeholders including beneficiaries and vulnerable groups shall be made aware about the existence and functioning of such processes at the initial stages of project implementation and trained on its use.		