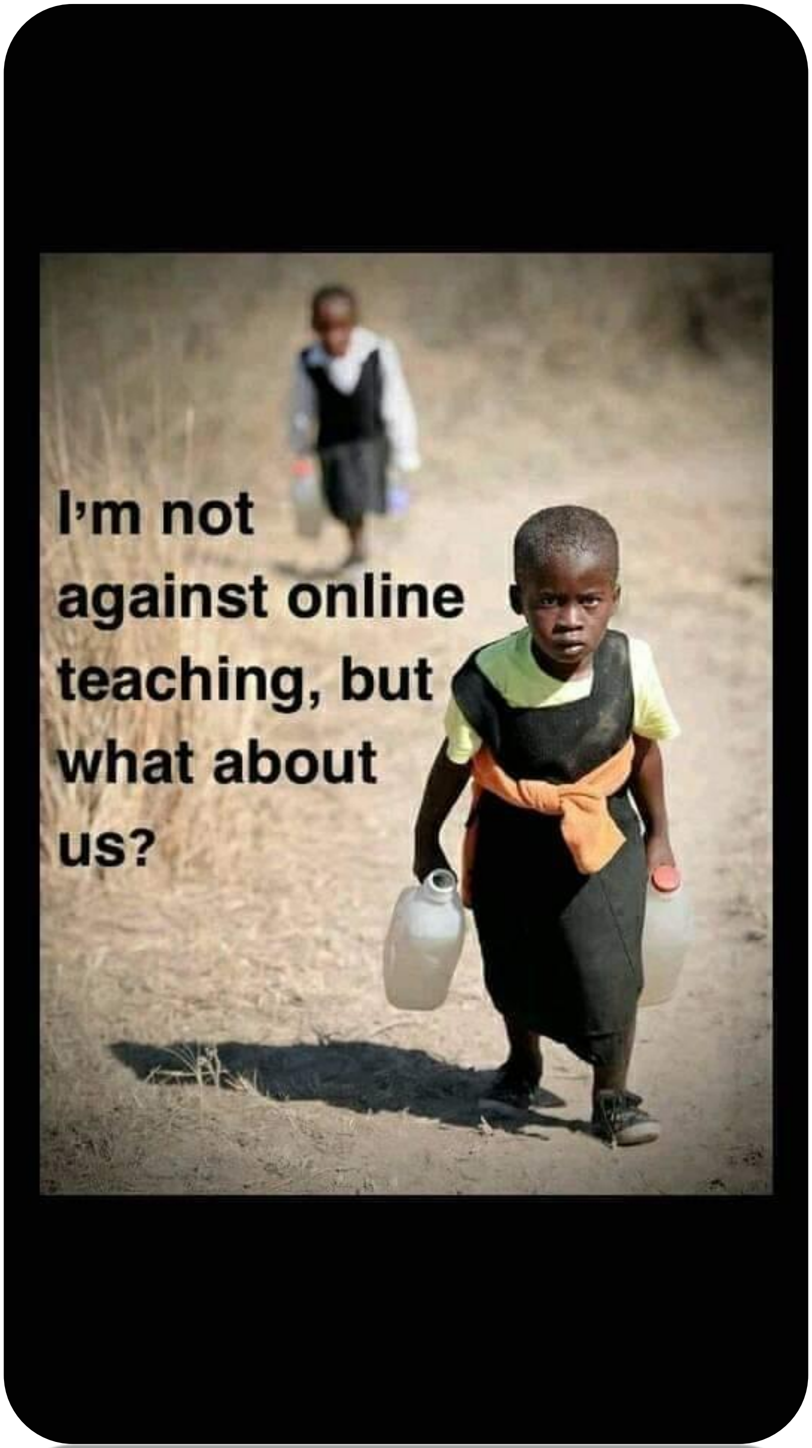
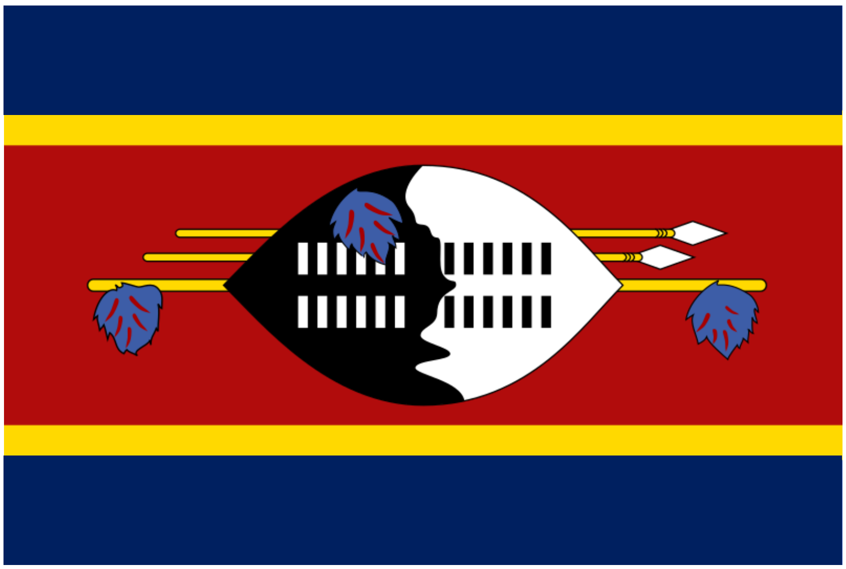
ESWATINI NATIONAL DEVELOPMENT PLAN 2023/24 – 2027/28

GOOD GOVERNANCE; THE ANCHOR FOR ECONOMIC RECOVERY, GREEN GROWTH, AND SUSTAINABLE LIVELIHOODS

MINISTRY OF ECONOMIC PLANNING AND DEVELOPMENT


I'm not
against online
teaching, but
what about
us?

NATIONAL DEVELOPMENT PLAN
2023/24 – 2027/28



THEME:

Good Governance: the Anchor for Economic Recovery, Green Growth, and Sustainable Livelihoods

GOAL:
Transformation of the Economy and People's Lives

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LIST OF ACRONYMS

ACCF	Africa Climate Change Fund
ACMS	Aid Coordination and Management Section
ADHD	Attention Deficient Hyperactivity Disorder
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AU	African Union
CBE	Competence Based Education
CHRPA	Commission on Human Rights and Public Administration
CIT	Company Income Tax
CLTS	Community Led Total Sanitation
CMA	Common Monetary Area
CMS	Central Medical Stores
CODEC	Co-operative Development and Education Centre
COMESA	Common Market for Eastern and Southern Africa
COP 26	Conference of the Parties, 26th meeting (UNFCCC)
CSARL	Climate Smart Agriculture for Resilient Livelihoods
CSO	Central Statistics Office
CTA	Central Transport Agency
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
DWA	Department of Water Affairs
ECCDE	Early Childhood Care and Development Education
EFTA	European Free Trade Area
EHIES	Eswatini Household Income and Expenditure Survey
EIPA	Eswatini Investment Promotion Authority
ELVCDP	Eswatini Livestock Value Chain Development Project
ENPF	Eswatini National Provident Fund
EPO	Economic Planning Office
EPZ	Economic Processing Zone
ESA	Education Sector Analysis
ESA	Eswatini Sugar Association
ESEPARC	Eswatini Economic Policy Analysis and Research Centre
ESPDG	Education Sector Plan Development Grant
ETVA	Eswatini Television Authority
FAO	Food and Agriculture Organisation
FAP	Fiscal Adjustment Plan
FDI	Foreign Direct Investment
FEMCOM	Federation of National Associations of Women in Business in the COMESA
FINCLUDE	Financial Inclusion Cluster Development
FISH	Five Star Hotel
FSRA	Financial Services Regulatory Authority
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Fund
GHG	Green House Gases
GIS	Geographic Information System
GPE	Global Partnership for Education
HACCP	Hazard Analysis Critical Control Point

HDI	Human Development Index
IAPS	Invasive Alien Plant Species
ICC	International Convention Centre
ICT	Information, Communications and Technology
IDSR	Integrated Disease Surveillance and Response
IFMIS	Integrated Financial Management Information System
IHR	International Health Regulations
IMF	International Monetary Fund
IT	Information Technology
JA	Junior Achievement Company
LDN	Land Degradation Neutrality
LEG	Local Education Group
LFS	Labour Force Survey
LMS	Learning Management System
LSE	Life Skills Education
M&E	Monitoring and Evaluation
MCC	Millennium Challenge Corporation
MDAs	Ministries, Department and Agencies
MEPD	Ministry of Economic Planning and Development
MFWG	Macro-Fiscal Working Group
MHCP	Multi-Hazard Contingency Plan
MICS	Multiple Indicator Cluster Survey
MIS	Management Information System
MNRE	Ministry of Natural Resources and Energy
MoPWT	Ministry of Public Works and Transport
MoSCYA	Ministry of Sports, Culture, and Youth Affairs
MPUs	Ministerial Planning Units
MSMEs	Micro, Small, Medium Enterprises
MTFF	Medium Term Fiscal Framework
NAP	National Adaptation Plan
NCPs	Neighbourhood care points
NDC	Nationally Determined Contribution
NDMA	National Disaster Management Agency
NDP	National Development Plan
NDS	National Development Strategy
NFIS	National Financial Inclusion Strategy
NHC	National Handicraft Training Centre
NICI	National Information and Communications Initiative
NMC	National Maize Corporation
NMRF	National Mechanism for Reporting and follow up
NSI	National System of Innovation
OECD	Organisation for Economic Cooperation and Development
OVC	Orphaned and Vulnerable Children
PA	Paris Agreement
PAYE/PIT	Personal Income Tax
PBC	Planning and Budgeting Committee
PES	Public Employment Services
PFM	Public Financial Management
PHAST	Participatory Hygiene and Sanitation Transformation
PIMA	Public Investment Management Audit
PMO	Prime Minister's Office
PMS	Performance Management System

PMT	Proxy Means Test
PPCU	Public Policy Coordination Unit
PPP	Public Private Partnership
PRMED	Poverty Reduction, Monitoring and Evaluation Division
PRSAP	Poverty Reduction Strategy and Action Programme
PSET	Post-Secondary Education and Training
PWD	People with Disabilities
R&D	Research and Development
RDF	Regional Development Fund
REPS	Royal Eswatini Police Service
RISDP	Regional Indicative Strategic Development Plan
RoC	Republic of China
RSA	Republic of South Africa
RSTI	Research Science Technology and Innovation
RSTP	Royal Science and Technology Park
SACU	South African Customs Union
SADC	Southern African Development Community
SANU	Southern Africa Nazarene University
SDGs	Sustainable Development Goals
SDPA	Sector Developing Plans and Agreements
SDPs	Sector Development Plans
SEDCO	Small Enterprise Development Company
SEZs	Special Economic Zones
SMEs	Small and Medium Enterprises
SNL	Swazi Nation Land
SoE	State-owned Enterprises
SPTC	Eswatini Posts and Telecommunications Corporation
SRH	Sexual and Reproductive Health
SRHR	Sexual and reproductive Health Rights
SRL	Eswatini Rail Link
SRM	Strategic Road Map
SSA	Sub-Saharan Africa
SSDIG	Strategy for Sustainable Development and Inclusive growth
SSELGS	Small-scale Enterprise Loan Guarantee Scheme
STEM	Science Technology, Engineering and Mathematics
STGEP	Short-Term Generation Expansion Plan
STI	Science, Technology and Innovation
SWAp	Sector Wide Approach
TVET	Technical Vocational Education and Training
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value Added Tax
VTRS	Vocational Training and Rehabilitation Services
WBG	World Bank Group
WID	Women in Development

DEVELOPMENT PARTNERS WHO ARE SUPPORTING ESWATINI'S DEVELOPMENT AGENDA

FOREWORD

The period 2019 – 2021 can be marked as a challenging road to recovery for Eswatini, as it was the period that Government had dedicated to the implementation of reforms for economic recovery, but contrasting circumstances prevailed. The COVID pandemic in 2020 followed by the political unrest in June 2021 escalated the damage already being experienced economically and socially. Resultantly, the past NDP could not be implemented as planned and a decision was taken for this NDP to continue with the same development priorities as the socio-economic environment is increasingly challenging. The economic predicament which has confronted the country for more than a decade coupled with deteriorating social indicators is in full contrast with the lower middle-income status. The economy continues to experience a sluggish growth pattern characterised by a fiscal crisis, high levels of youth unemployment, high levels of poverty and inequalities, low levels of private investment and worsening human development indicators. The economy was already fragile when the corona pandemic struck in 2020 forcing it into a technical recession and exposed structural weaknesses especially in the education and health systems as well as in social protection. The impact on the economy is a strong signal for the call to re-think the economic growth model and consider structural socio-economic and governance weaknesses.

This NDP is focused on growth and fiscal consolidation with good governance as the anchor since it is the bolt and nuts for economic development. It is the operational policy document with priorities for the medium-term guiding resource allocation. It brings together all the policy documents including the Post COVID-19 Economic Recovery Plan, SSDIG, UN Agenda 2030, AU Agenda 2063, and SADC – RISDP into a single framework which shall form basis of the MTFF. All in all, the thematic policy message is unpacked at sectoral level into programmes and projects for funding. Ultimately, it is envisaged that as the programmes and activities are being implemented, the set of identified strategic outcomes will have a positive impact on the fiscus, investment climate, management of natural resources, human development as well as building a culture of excellence. The ultimate goal is to achieve sound macro-fiscal management, grow the economy and improve on service delivery. Government is focusing on a two-pronged policy framework of economic recovery and sustainable livelihoods with convergence towards SDGs.

This NDP benefitted from consultations with different stakeholders representing a cross-section of sectors and an effort was made to build consensus on sectoral priorities in view of the prevailing socio-economic and political climate. Stakeholders agreed that the recent NDP provided a strong base for the new NDP as the challenges still persist and there has been little implementation of proposed policy interventions. Good governance – both political and economic management, human capital and infrastructure were identified as crucial for transformation and launching the private sector as the transformative engine for economic recovery and employment creation for youth. Cross-cutting issues include climate change, environment sustainability and disaster risk reduction as a package, population issues, and policy implementation.

Stakeholders have urged government to show strong commitment and political will to policy reforms which will lead to improved implementation of policies and programmes, and assist build resilience to future shocks. At the heart of the key policy goal identified by stakeholders and now set by Government for economic recovery is the requisite for good governance. Good governance is seen in the context of having strong institutions, political will for the implementation of reforms, ability of the state to deliver essential services, eradicating poverty and inequalities, provide a level playing field for private sector growth, prudency and accountability as well as transparency in the allocation and utilisation of national resources, and fighting corruption. According to the Mo Ibrahim[1] Index (2021) good governance stands at the heart of reforms and economic recovery, as well as building a sustainable and resilient future for generations to come. At the same time, it is viewed as a way of harnessing demographic dividends by involving the youth in decision-making and building trust, as they appear to be impatient with policy making and implementation. Therefore, the NDP is premised on the inputs of stakeholders collected through those extensive consultations to ensure their voices were also heard, and the data and analytical work done also provided deep insights into the priority areas for this NDP for the next five years.

Stakeholders contend that no economic recovery can take place in a political environment that is not stable but volatile, where government's credibility and investor confidence is quite low. It should be noted that Government is encouraged to take leadership of the transformative reforms including good governance issues to lay a foundation for recovery, improve the business climate and investor confidence thus to attract FDI and boost domestic investment. Part of the envisaged measures is fighting corruption, promoting accountability and transparency as well as engaging in dialogue with dissenting voices which have grown loud in the recent past culminating in the political unrest of June 2021. The NDP is climate-proofed to safeguard investments already made and those to be done, to build resilience against climate change and minimise future losses. This will be done with the integration of climate change in development planning and budgeting as well as developing appropriate intervention programmes. These remain key challenges for our development agenda. This will be followed by development of the planning and budgeting manual which details how operations are to be done.

Government is committed to the turnaround of the economic situation, restoration of sound macro-fiscal management, and the required interventions. It has started developing the required policies and strategies for sustainable economic recovery targeting fiscal consolidation, got into an agreement for the Fiscal Adjustment Plan with the IMF and World Bank and received budget support. Further, more budget support has been pursued with the AfDB and World Bank Group for FY 2022/23 as part of the FAP implementation.

Post-COVID-19 economic recovery will pursue the reform agenda started in the NDP 2019/20 – 2021/22, consider progress made and challenges that emerged during the Plan period. Going forward, a lot of financing is needed to build inclusive, sustainable and resilient economy which is also sensitive to climate

[1]The Mo Ibrahim Foundation defines governance as the provision of political, social and economic public goods and services that every citizen has the right to expect from their government, and that a government has the responsibility to deliver to its citizens.

change, environment management and disaster risk reduction. Consequently, this National Development Plan (NDP) has incorporated the NDCs with the aim of reducing GHG emissions and greening the economy. Further, it is directed at addressing these challenges by pursuing an economic recovery stance that incorporates the developments that took place during the Plan period, and new policy reforms. This recovery is underpinned by restoration of sound macro-fiscal discipline as dictated by the FAP supported by good governance principles without which economic recovery would remain an illusion. In addition, the NDP affirms the various commitments made by the country internationally including SDGs, AU Agenda 2063, and SADC – RISDP and in particular to climate proof its investments through the implementation of the revised NDCs.

The devastating consequences of climate change are already evident with persistent drought, floods, rising temperatures, recent cyclones, storms and spread of invasive alien species. The NDP's key development objectives are premised on key achievements and challenges, and draws from lessons learnt highlighted in the introductory chapter of this NDP, and the brief assessment undertaken on the implementation of Vision 2022/ National Development Strategy (NDS) 1997 - 2022. The NDP 2023/24 – 2027/28 will be the main document giving guidance on government's main development agenda and priorities for resource allocation and mobilisation.

As the NDP projects into the future with the promise of implementing reforms to change the trajectory of the economy, it also focuses on changing livelihoods to be sustainable. This is a tall calling considering the effects of COVID-19, climate change disasters and the fiscal crisis which has heavily compromised service delivery. Nonetheless, government acknowledges the damage COVID-19 has impacted on human lives especially children at school as they missed almost two years of effective schooling. Different stakeholders are equally concerned about the quality of education and future prospects. This has inevitably affected the human capital index as it declined from 0.41 (2018) to 0.37 (2020) indicating that a child born in Eswatini will be 37 percent productive when he/she reaches 18 years assuming full education and health were accessible. Unfortunately, this is lower than the average SSA and countries in the lower middle-income category.

COVID-19 also exposed the country's weakness in digitalisation and innovation affecting all sectors in particular the private sector, government and education. Issues to be addressed during the Plan period include improving on the competitiveness of our business climate for private sector and MSMEs, and levelling the playing field by addressing bottlenecks. The assistance received from development partners is appreciated, but we admit there is a lot of work to be done to unlock the potential of increasing private investment and reduce the dominance of government. Government has commenced on the reforms and will be implementing the recommendations of the study on state-owned enterprises. Other areas to consider include: the approval of the land policy which has remained in draft for over a decade, diversification of the manufacturing sector, utilisation of the mineral resources, investing in high-value crops, and re-purposing of capital projects which are likely to be under-utilised or remain idle. Government takes this opportunity to appreciate the assistance received from development partners in the social sector, for people are the country's greatest asset and the youth is the future.

Poverty and inequalities have persistently been a big challenge. According to the World Bank (2020), Eswatini stands in the top 10 percent of countries with highest levels of poverty and inequality. Between 2010 and 2017, the incidence of poverty in general was reduced from 63 percent to 58.9 percent with 20 percent in extreme poverty, but an assessment done by UNDP during the COVID-19 period indicate a possible increase of 5 percentage points. Moving forward, the NDP provides a critical platform for the country to make vital policy shifts and invent new approaches to address new and existing challenges which are bottlenecks to economic, social and political development. It cannot be business as usual if the country is to make the transition to progress into a better developed economy and inclusive nation in the next five years.

The Government has defined six strategic policy initiatives to help the country address the challenges and explore opportunities to get back a competitive edge in a fast-changing global landscape. These initiatives aim to comprehensively address the challenges and act as game changers, which if successfully applied will fundamentally change the trajectory of the country's growth. These are (i) good governance aimed at achieving a conducive political climate and fiscal consolidation; (ii) human capital development focusing on harnessing the demographic dividend and addressing youth unemployment; (iii) strengthening infrastructure to support economic recovery; (iv) greening economic growth through the adoption of climate change related measures to build sustainability and resilience; (v) strengthen service delivery to improve well-being of all emaSwati; and (vi) finally promoting the private sector to be the engine for growth. However, at the centre of our development trajectory, is peace and political stability underpinned by a shared identity as a people.

It has been established that economic recovery takes place in a political environment that is stable and not volatile, where government's credibility and investor confidence is quite high. It should be noted that Government will take leadership of the transformative reforms to improve the business climate and investor confidence thus to attract FDI and boost domestic investment. The NDP is climate-proofed to safeguard investments already made and those to be done, to build resilience against climate change and minimise future losses.

Importantly, during the Plan period, to the Ministry will be investing in the monitoring and evaluation of performance of the strategies, programmes and projects, to assess the realisation of overall strategic sectoral outcomes and national outcomes on an on-going basis. This enables MDAs to take timely modifications to programmes and projects under implementation and even change the sequencing of measures to suit changes in the environment. It may save resources avoiding wastage and ineffectiveness. However, that is the area where government needs to invest in a robust M&E system and capacity building.

Implementation of the NDP requires partnership between stakeholders for successful outcomes. The Government is cognisant of the required collaboration between public sector, private sector, civil society, communities and development partners to assist with resource mobilisation and implementation.

Hon. Dr. E.T Gina (MP)

Minister for Economic Planning and Development

EXECUTIVE SUMMARRY

Government presents the National Development Plan (NDP) 2023/24 – 2027/28 as a pathway for the next five years leading to economic recovery underlined by good governance, sound macro-fiscal management and sustainable livelihoods. Historically, Eswatini is known as an icon for being peaceful and stable. Incessant peace and political stability founded on national unity and a culturally homogenous society has been experienced for decades and unmatched in the continent. It has remained the fundamental pillar for economic progress. Eswatini made significant investments in human capital development to create a stable and thriving community, and infrastructure development for improving the country's amenities by building transport network, dams, schools and health facilities. For a long time, the economy was prudently managed and economic policy environment was more stable and predictable, enabling the country to maintain a sound path to growth and development.

Despite the growing socio - economic and emerging political challenges, there is great optimism that the once vibrant and progressive economy can be turned around with the right reforms. Government had strong, lean and responsive institutions had adopted long-term, predictable economic policies that have enabled the country to maintain a sound policy environment for growth and development. The private sector has played a fundamental role in previous development and growth performance. Government considers the private sector to be the key sector to help resolve current development challenges and worries. This NDP takes a close analysis at recent socio - economic developments and deliberates on the key issues that require policy attention or programme implementation going forward. Whilst economic growth and fiscal consolidation are a focus of the NDP, good governance takes a centre stage because it is fundamental to a credible and stable policy environment as well as restoring confidence of investors, stakeholders and citizens.

The NDP reiterates that fiscal discipline, inclusive and sustainable growth, eradication of corruption, an accountable and transparent public sector, inclusive economic growth and employment, poverty and inequality reduction, improved national unity, rule of law, strengthened political stability and private sector development are the core foci. Fiscal consolidation is the primary focus that requires firm commitment, and Government is cautious that the reform process does not happen at the expense of broader development objectives. In order to return to right economic track, the NDP aspires to address the root causes of the economic crisis and poor public service delivery, as well as the underlying reasons for continuous poverty experienced by households and individuals, and aims to improve the impacts of poverty.

Eswatini economic status and social indicators are in contrast. Economic performance continues to be very poor averaging about 2.6 percent between 2001 and 2010, slight above 2 percent between 2011 and 2020, and has been in a crisis state for a number of years. Government started implementing the fiscal adjustment plan (FAP) agreed with the IMF from FY 2021/22 which is expected to run for 3 years, aimed at achieving fiscal consolidation to establish a foundation for economic growth. The poor economic performance is characterised by high vulnerability to external shocks, poor growth that is highly dependent on government activities for stimulus, a fiscal crisis with high deficit levels largely financed through borrowing leading to fast increasing debt levels with high interest payments and combined with increasing arrears that led the private sector into a state of indebtedness. In addition, youth unemployment is estimated at 58.2 percent and poverty levels are high with skewed income distribution. The social sector is poorly resourced with a fragile health system faced with an increasing disease burden and the education sector faced with diminishing quality and relevance. The risk of frequent drought occurrence and floods is exposing the vulnerability of agriculture and other sectors to changing climate conditions. Disasters are also a frequent likelihood.

The recent NDP's main objectives have not been achieved whereas the economic and social challenges are persisting, and thus the decision to continue with same priority areas. Several consultation workshops were conducted and stakeholders were asked to identify the root causes of economic crisis and the priority interventions by which they could be addressed. Results indicate lack of good governance as the main cause. When it came to priority interventions, four thematic areas dominated the response: sound macro-fiscal management, investment in human capital development with emphasis on youth, health, education and skills development, conducive business environment with a focus on a competitiveness, employment creation and entrepreneurship, as well as peace, stability and national unity. Eswatini's GDP per capita is high, estimated at US$4,215 in 2021 (World Bank), but has the tenth highest income inequality in the world with a Gini coefficient of 49.3. About 59 percent of the population lives below the national poverty line and 20 percent is considered extremely poor, signaling that further intervention measures need to be considered. It is the key objective of the Plan to take a two-pronged approach that is focused on economic recovery and quality of life.

Despite the big task ahead, government wants to bring optimism by focusing its attention to implementing the FAP as an economic recovery programme to correct the current fiscal crisis, and to bring the economy back on a sustainable track. If successfully implemented, it will pave a way for investments in economic growth and improving service delivery. Government is cognisant of the expectations and call for political will to have successful implementation of reforms. Political will is the fundamental premise which lays the ground for good governance so that sound macro-fiscal management becomes the primary engine for economic recovery that will encourage active private sector participation. Also, it will assist to accomplish fiscal stability and improve the livelihoods of the citizens. Improvements will be made to create a conducive environment in which efforts to support and climate proof economic growth can succeed and to restore macroeconomic stability.

In accordance with the key goal of this NDP of transforming the economy and people's lives, the intention is to achieve a recovery trajectory that is underpinned by good governance principles in which the economy is enriched with a conducive business environment and a competitive private sector both regionally and globally. In addition, the desire is to have peace and stability restored, that citizens are healthy, skilled and well-nourished, successful, capable of living productive lives without fear, with a shared national unity, taking care of its environment and investing in future generations. The goal emanates from an extensive analytical work and a national consultative process conducted during the preparatory phase. Deliberations involved different levels of the population and all sectors. Different stakeholders expressed their aspirations to be a peaceful, stable, united, democratic and inclusive nation.

The NDP serves as a roadmap over the next five years to the MDAs for policy and programme interventions, public investment, as a source of strategy and alignment with regional plans for decentralization. It is also a guide for development partners in their planning. Cross-cutting policy issues have been outlined as clear features for sector strategies, but also to inform and shape future programmes and projects initiated in response to the NDP. Inter-dependence of national outcomes and their supporting strategies requires that the NDP be viewed as iterative, concurrent and with inter-linkages. Progress in one national outcome is not dependent on the completion of another, but rather should be seen as mutually reinforcing programmes of action. What is vital for the government and for the NDP is to approach implementation as a multi-dimensional effort. In this way, the outcome-specific progress will have positive multiplier effects on other outcome areas accelerating transformation and recovery across the planning period. Cross-cutting policies are integrated into each outcome, representing an important strategy for both targeting and prioritising of interventions.

The Plan continues to be premised on the NDS and Vision 2022 which contains the nation's desire to be amongst **"...the top 10% of the medium human development group of countries founded on sustainable economic development, social justice and political stability"**. The goal of the NDP 2023/24 – 2027/28 is to achieve economic recovery and sustainable livelihoods for emaSwati. It contains an assessment of the current macroeconomic situation and sectoral development performance. The NDP embodies the following key objectives:

- Implementation of good governance principles to ensure sound economic management - public finance management, fiscal stability and gaining efficiencies, elimination of corruption, respect to the rule of law and human rights;
- Strengthening the role of the state in facilitating and guiding socio-economic development;
- Re-building of the nation and its social fabric for unity, peace and stability. Eswatini has always been known for peace and stability which has been the main attraction for tourists and investments;
- Transformation of agriculture into a productive, high value and market-oriented sector, also capable of providing adequate diverse and nutritious food supplies to the nation;
- Development of a competitive private sector with a diversified product package to boost growth, exports and employment;
- Comprehensive investments in human capital development encompassing education and skills development, health, as well as harnessing information and technology;
- Youth and gender empowerment. Nurturing the potential of the youth and vulnerable groups;
- Revitalise the economy for recovery underpinned by inclusive and sustainable growth;
- Better manage Eswatini's environment and its natural resources;
- Invest in quality, viable and resilient infrastructural development, climate proofing all investments;
- Promotion of regional economic integration and cooperation; and
- Cross-cutting issues: policy reform implementation, gender equity, climate change, disaster risk reduction, sustainable environmental and natural resource management; and ICT.

Underlying these key objectives is the desire for transformation of the economy and people's lives – transformation of the agricultural sector by commercialising the SNL activities; private sector by diversifying the product package; public sector to allow the private sector to lead the recovery and the informal sector by making appropriate investments to empower the youth, women and other vulnerable groups to be nurtured and graduate out of the sector. To harness the country's potentials, the growth path should be anchored on regional and international competitive creativity, technological innovation and adaptation capabilities. Also, investments must be supported through adaptation and mitigation measures against climate change and build resilience to disasters.

The NDP strongly states that fiscal consolidation is the priority for the Plan period in order to achieve stability, as the current status is a great concern to stakeholders. They do not believe government has the political will to implement reforms. Their confidence in government has been greatly reduced and has got into a wait-and-see stance. The poor performance of the economy is characterised by fiscal bleeding, slow growth, price hikes and high levels of perceived corruption. Lack of trust in government does not only hinder growth but also improvements in economic performance and human development indicators.

The NDP calls for increased investments in social development, but Government cannot afford this kind of investment over the long-term unless it is financed by a sufficiently growing economy. According to the PRSAP (2006), growth must be above 5 percent for poverty to be tackled and gain returns from investments. A Growth Strategy is needed as a component of the economic recovery drive and this is one of the strategic objectives of this NDP and of Government. It should be complemented by a private sector development strategy as well as a diversification strategy, and together will establish a package for economic transformation. Implementation will be supported by the development of PPP policy to guide sectors and strengthen opportunities for funding. The private sector is also a source of capital and primary vehicle for investment which government can use in view of the current fiscal crisis, to rehabilitate and construct new infrastructure. Road networks need regular maintenance to keep it in good condition. Another critical aspect is an efficient and effective public sector that creates a conducive environment - consisting of an administration that is decisive and responsive, accountable and transparent. Also, that fights corruption, has eliminated the excessive bureaucratic processes of doing business i.e. business registration, taxes, visa applications, contract enforcement and dispenses justice, safety and security in a cost-effective and cost efficient manner. Investment in ICT is considered an important enabler which cannot be ignored.

The NDP is also an operational tool to engage stakeholders – private sector, non-state actors, development partners and the nation. It identifies the programmes, strategies and projects for implementation by MDAs. At the end of the five-year period, the following key results are expected to be achieved:

- A Growth Strategy would have been developed by 2025 having product diversification to boost exports and create employment;
- Growth projected to average 2.6 percent over the Plan period with possibility to grow to 5 percent at the end of Plan period with the implementation of reforms;

- Achieved fiscal consolidation and arrears clearance by 2027;
- DRR Fund would have been established by 2025 to enhance disaster preparedness;
- Reduced poverty rates from 58.9 percent to 54 percent;
- Youth unemployment to decline from 58.2 to 40 percent;
- Access to safe water to increase to 80 percent, and sanitation to increase from 53 to 85 percent;
- Food and nutrition security would have increased by 10 percent;
- Life expectancy would have increased to 65.2 years;
- TVET enrolment would have increased by 40 percent in 2027;
- Energy supply secured by 2025 (at the expiry of current agreement with ESKOM) following successful negotiations and investments in solar and hydro; and
- Renewable energy share would have increased to be 50 percent of total energy mix by 2030

Achievements and Challenges from Past Sectoral Programmes:

The past Plan period was difficult to implement with COVID-19, political unrest and Cyclone Eloise which were all unexpected, and demanded a change in priorities and a shift in resource allocation. As a result, the review of past developments reveals a mix of successes and challenges.

Table 1: Key Development Successes and Challenges

Key Development Successes	***Key Development Challenges***
• **Re-introduction of national development planning to guide development agenda and budgeting process.** • **Fiscal reforms with the Fiscal Adjustment Plan – SoEs study done, ready for implementation and secured budget support from AfDB, IMF and World Bank.** • **Economic growth low but a strong re-bound of 5.9[2] percent in 2021 following COVID-19 and political disturbances.** • **Continued massive investment in infrastructure development, especially roads.** • **Great success in HIV/AIDS, malaria and TB. COVID-19 pandemic handled successfully.** • **On climate change related issues, the NDC was approved, government integrating climate change, environment and disaster risk reduction in development planning and budgeting. Other initiatives on-going like banning plastic use and tree planting.** • **Maize production increased from 100,042 m.t. (2020/21) to 127,000 m.t. in 2021/22 season**	• Peace and political stability wearing away and causing divisions and uncertainty. • Fiscal crisis continuing with huge impact on social sector which is already struggling with under-funding, poor outcomes and disease burden. Human capital index declining. • Economy already fragile due to COVID-19 and Russia - Ukraine war, growth likely to be impacted negatively as commodity prices rise. • Uncompetitive business climate, small and declining private sector, and high dependency on a narrow product base for predominantly agricultural exports. • Economic governance especially public finance management – quality of public investment, high deficits, arrears, increasing debt, perceived corruption. • High-level of youth unemployment estimated at 58.2 percent (2021). • Stakeholders lack of confidence in government to carry through with reforms.

[2] Confirmed to be 7.9 percent at the time of going to print (September, 2022)

Key Development Successes	Key Development Challenges
• Investments in renewable energy – solar power • Trade agreements which have increased external markets. • Received significant support from development partners during COVID-19 period thus managed successfully. • Support to invest in human capital development in the education and health sector to boost outcomes and skills development for the youth.	• Despite FAP, public service remaining relatively big and bloated, and deteriorating service delivery. • Despite huge investment in HIV/AIDS treatment, the level among youth is high and future investments uncertain. • High-levels of poverty and vulnerability with a weak social protection system and an increasing number of OVCs. • Serious infrastructure gaps in ICT, water and energy as well as deteriorating infrastructure conditions due to poor maintenance. • Threats of climate change and disaster risk are high, to impact commercial agriculture and food production. Population migration from Shiselweni and Lubombo highly likely.

Despite the sad picture of the socio-economic indicators concerning the youth, an opportunity still exists to harness the demographic dividends by making investments in human development. Fertility rates are declining and that presents a great economic potential but the opposite is true if no investments are made. A large pool of trainable workforce will become readily available to drive overall economic growth prospects and boost demand for goods and services. Moreover, adequate investments will have to be made in health, education, and entrepreneurship to build their economically productive skills thus continuing to stimulate further economic opportunities for them. This also entails creating a conducive environment for private sector development and encouraging strong collaboration between private companies and young entrepreneurs.

Restoring peace and political stability is key to the economic recovery initiative as it brings a level of certainty and predictability of government policy actions. A lot of potential exists in diversifying the product base for exports to meet quotas already available in secured markets. Eswatini has tariff-free access to many international markets, including the EU through the Economic Partnership Agreement and the US through the recent re-admittance to the AGOA and recently, the Economic Cooperation Agreement with RoC on Taiwan. SACU, SADC and COMESA provide a wider market to the Southern and Eastern African countries. There is room to improve on good governance and renew government's credibility and image to acquire more concessional funding and grants to invest in development of emaSwati. Finally, Eswatini has a great potential to boost tourism complemented by the natural environment - waters of the dams and nature parks and game reserves, creating a unique potential for adventure yet to be fully exploited.

National Development over the Next Five Years

The Government is resolute on pursuing a growth-focused development plan based upon sound analysis of the country's economic opportunities, and in consideration of external environment and domestic challenges. It seeks to target interventions aimed at implementing reforms to achieve economic recovery and growth as well as improving the efficiency of administration. GDP growth rate is estimated to be 2.6 percent over the Plan period, however, with implementation of reforms committedly; it is possible to reach around 5 percent by the end of Plan period. Developments in the agricultural and manufacturing sectors are expected to contribute positively to growth on account of increase in exports largely driven by increased domestic production, diversification and agro-processing. Core inflation is expected to be kept within the 3 – 6 percent and a prudent fiscal policy based on a successful FAP that includes a ceiling on deficit of 2 percent to GDP and debt of 50 percent to GDP until 2025, to gradually reduce to 35 percent at the end of Plan period[3].

The overall development strategy of the NDP is based on the lessons learnt since implementation of the NDS and adopts an integrated multi-sectoral cascading results-based framework. It continues to set out the policy direction, the national and sectoral outcomes and the sectoral outputs, strategies, programmes and intervention projects that are to be implemented by sectors through the different ministries, departments and agencies (MDAs) in the short to medium-term, over the period 2023/24 – 2027/28.

Strategic Goals:

1. **Good governance, economic recovery and macro- fiscal stability:** the economy is expected to recover and experience a stronger growth on the back of a successful implementation of the FAP. Macroeconomic fundamentals will be restored and strengthened to stimulate economic growth, enhance economic resilience through a diversified economic base, balanced fiscal position, low inflation, full employment, favourable reserves position, and sound financial system. Reforms initiatives to enhance productivity at the national, industry and enterprise levels are expected boost growth. This is expected to provide a base for sound macro-fiscal stability where credibility of government is restored and service delivery is improved.
    i. Overall, Eswatini is optimistic for a future that is built on sound macroeconomic policy, inclusiveness so that no Swazi is left behind, well-being for all is improved and human capital development is future-proofed. Also, to achieve green and sustainable growth, economic expansion supported by infrastructure development, and establish a citizen-centric public service with high productivity. Collectively, these improvements will ensure that citizens, regardless of gender, socio-economic status and geographic location, can live in a truly harmonious and progressive society that is united.
    ii. Economy will recover from COVID-19 and political uncertainty. The implementation of this Plan is expected to result in a change in the structure of the economy and the transformation to a more inclusive and sustainable growth path. Significant benefits from the proposed reforms will also be achieved beyond this NDP's period, as the growth rate is expected to reach 5 percent. The private sector has to be the engine for growth in order

[3] Possible to reduce debt to 35% of GDP if the economy grows significantly.

to create the needed jobs and exports to earn foreign exchange and boost the current account in the balance of payments.

iii. The FAP implementation over the 3-year period should result in government's commitment to reform the fiscus at least by reducing expenditures in real terms and adhering to the MTFF ceilings. The budget support received should reinforce the agreement with the IMF and treat the FAP as a foundation for sound macro-fiscal management and first step for a reform programme. Its success will pave a way for continued restructuring of the national budget, to confirm with the NDP objectives and the wishes of stakeholders to have a balanced budget, which addresses national priorities and satisfy all critical macro-fiscal indicators.

iv. The FAP brings together all macro indicators aimed at attaining macroeconomic stability. For it to be successful, the fiscal consolidation strategy and monetary policy will result in a reduced budget deficit around 2 percent of GDP and the debt sustainability level eventually to reach 35 percent of GDP. Currently, the debt to GDP ratio is 43 percent on average compared to the region's average at 60 percent of GDP.

v. Sound macroeconomic management will ensure fiscal discipline, including adherence to budget ceilings and implementation of the Arrears Clearance Strategy to eliminate arrears. Further, to moderate the impact of SACU revenue volatility, improve on revenue management by improving on tax collections, reviewing tax orders and assessing viability of EPZs. Finally, to enhance the capacity for mobilisation of finance for development. On the expenditure side, to manage the wage bill and transfers to state-owned enterprises (SoEs), with the implementation of the study to streamline, merge and/or privatise some of them.

vi. A comfortable position for gross official reserves is above 3 months of import cover so as to keep confidence in the Lilangeni and maintain Common Monetary Area (CMA) Lilangeni/Rand parity.

vii. To implement public sector reforms to reduce size of the establishment and improve on performance of public servants. It will also enhance the performance capacity of MDAs to efficiently utilise transfers, and entrench monitoring and evaluation (M&E) and performance management system across the board.

2. **Enhanced and dynamic private sector that supports inclusive and sustainable economic growth:** aims to increase competitiveness of the private sector to drive sustainable and inclusive growth. Resuscitating growth of the economy and laying the foundations for long-term development requires a climate resilient, dynamic and agile private sector that can innovate and respond to global opportunities. Tackling the challenges of a weakening business environment will lead to the achievement of the following - reduction of active government participation in the market, reduction of the informal sector and a strong and competitive MSME sector. Government will honour public contracts and sub-contracts that are awarded to local companies, and result in increased volume of private sector investment in key growth areas. The Plan aims to tackle the obstacles hindering the competitiveness of Eswatini's businesses, notably infrastructural facilities and the difficult business environment to enhance its potential to create

employment opportunities. Hence, the Plan will focus on increasing the vibrancy and competitiveness of the private sector through infrastructure development and relevant legislation to improve the business environment. It also seeks to exploit the potential of utilising mineral resources to resuscitate economic growth.

i. **Enhancing agribusiness and agro-processing** to increase production and value addition is one key area to establish the global value chains in the medium- to long-term. The value of agricultural – sugar, beef and forestry products will be greatly increased by processing, diversifying the products than exporting them in raw forms. This will require new skills, technology, infrastructure and an investment climate that supports the growth of industries, entrepreneurship, and that can attract foreign investments. Growth in agro-business and agro-processing will no doubt support vibrant entrepreneurial activities by the youth, as well as the expansion of MSMEs.
ii. **A dynamic MSME and revitalised manufacturing sector** under this Plan will create jobs, stimulate foreign exchange earnings, grow the sector and enable the informal sector to gradually graduate out of informality. Informal sector occupies about 51 percent of the market and support the massive numbers of unemployed graduates/youth and women who are breadwinners. The involvement of small businesses in the service sector - including tourism and energy is a lever for economic recovery. These sectors, if well supported by policy, legal and regulatory reforms can contribute to recovery and short-term economic growth as well as long-term structural transformation. Together the revised SME policy and youth policy can create a conducive business environment for aspiring young entrepreneurs. The SME Roadmap will transform the sector through three pillars: (i) stimulated SME growth through value chains; (ii) enhanced access to affordable finance; and (iii) rationalised business support services. Commercially-oriented smallholder farmers will be supported with information links to climate threats, markets and finance and rationalise the operations of the Small-Scale Enterprise Credit Guarantee Scheme to extend its outreach and include youth and small-scale farmers.
iii. **Improving the business environment** will to a large extent make Eswatini competitive and attractive to foreign and domestic investors. Intangible transaction costs that often add to the cost of doing business will be reduced, investments will be made in infrastructure development and increasing ICT penetration thus reducing cost of ICT services and creating more direct jobs in the sector. Regulatory requirements will be more transparent, processing times need to be shorter, and the overall economy will be more business-friendly. Government will make efforts to enhance competitiveness and improve the business climate through making trade facilitation smooth and fast. Sidvokodvo Industrial Estate will be developed to alleviate the shortage of commercial land available to investors, and give assurance on security of energy and water supply. Multi-purpose bulk water projects such as Nondvo and Ethemba dams will be developed to provide safe water and local economic opportunities in resource management use. The small-scale loan guarantee scheme has been reviewed to align it with the graduate

enterprise programme, which assists graduates to start businesses. The informal sector has benefitted from the construction of a trade hub in Manzini City for small traders.

3. **Enhanced social and human capital development, and sustainable livelihoods:** well-educated, enlightened and a pool of healthy human resources is essential to facilitate development. Otherwise, a country that does not invest in its human capital heavily discounts its future. Eswatini has not invested adequately in education sector at all levels resulting in serious concerns about its quality and relevance. The availability of appropriate and adequate human capital facilitates increase in production, productivity and technological growth. Quality health care is equally important. Investing in preventive health care, nutrition, early childhood development, sanitation and hygiene and basic education helps set the foundation for the required human capital.

    i. The development of our human capital or potential is essential for progress across all the key sectors of the economy. This requires investments in quality education, health care services, WASH, food and nutrition security to improve on coverage and access so that services are open to all including vulnerable groups.
    ii. Empowerment of youth, women, and people with disabilities (PWDs) and other vulnerable groups with special needs. Improved gender balance is necessary so that both women, girls, boys and men can progress together. A lack in any of these areas will hold people back, undermine human development, limit growth, equality and development and restrain progress.
    iii. Sports and other physical activities are encouraged, making it easier to achieve a healthy lifestyle. Most importantly, people of all backgrounds will have platforms to engage with one another, and to come together as one community, united through a common goal and commitment for nation building.
    iv. Need to tap into and exploit the demographic dividends of a large youthful population and invest in skills development for a productive future. Focus should be on labour market efficiency built through a strengthened collaboration with the private sector and academic institutions to provide required skills and mentorships for the aspiring young entrepreneurs.
    v. Good governance and an efficacious public service are essential given the important role that government plays in managing the economy and delivery of public services. The effective management of the socio-economic and political development of the country sets the direction for social cohesion and national unity, a crucial element for restoring peace and stability.

4. **Efficient public service delivery that respects human rights, justice and the rule of law:** the Government is committed to transforming the public service by becoming more citizen-centric to enhance the productivity, efficiency, and effectiveness of service delivery. The aspiration is to deliver public service in a less bureaucratic, hierarchical, and centralised manner; with talent that

is multi-skilled; and a range of service offerings that is more accessible and innovative. To achieve these outcomes, the Government has identified four focus areas:

i. The public service delivery, legal framework and how the national and local administration is managed is critical to all aspects of our sustainable development process. Poor governance worsens the consequences of our currently fragile macroeconomic environment, undermines the delivery of services, and generally weakens progress to more sustainable and inclusive human development, and a more dynamic economy.
ii. More reforms remain to be implemented to ensure alignment of laws with Constitution; accountable, transparent and responsible governance, that respects human rights, fosters the application of law and order.
iii. Public sector management and performance of the public servants - improvements in these areas will strengthen overall progress and ensure that services are innovative and delivered cost-effectively and more fairly to all groups. In addition, it ensures a sustainable use of resources eliminating corruption and management of the environment to improve performance, enhance responsiveness, reduce wastages and instill culture of excellence.
iv. Rural transformation through the decentralisation and RDF will continue with the objective of uplifting the well-being of rural communities, to enable them to participate in and benefit from the socio-economic and political development initiatives as well as nation's economic growth. The various strategies proposed will result in more equitable access to economic opportunities.

5. **Well managed natural resources and environmental sustainability, and disaster risk management:** a development trajectory which integrates the NDC into development planning and budgeting is being adopted. It is focusing on fundamentals of an inclusive, sustainable and effective management of our natural resources and the environment, while also building resilience through adaptation and mitigation measures to climate change, environment degradation and disaster risk. These are key mechanisms to attaining sustainable inclusive economic growth and protecting investments against the harsh realities of climate change. The governance and legal framework is being strengthened to create an enabling and secure environment towards renewable and clean energy, enhance preparedness for disasters and climate proof Eswatini's economic development which will be much less costly than disaster relief and response. There is recognition that climate change affects all sectors of the economy (agriculture and infrastructure sectors most affected) including ecosystems, communities, and vulnerable groups. The Plan therefore focuses on developing sustainable conservation and management of all available natural resources and ensures effective participation of all stakeholders for optimal benefit. It also considers the need to address issues of energy supply and security, conservation of biodiversity and forests, improvement of national waste management, including efforts to completely ban the use of plastic bags and climate proof all

new physical infrastructure. These will be very critical issues to be addressed by government in the medium term. Other key strategies over this plan period include:

i. Increase the capacity of bulk water storage through investment in multipurpose dams.
ii. Finalisation of the review and enactment of land related legislation and formulate an effective mechanism for settling land disputes on Swazi Nation Land and find ways to improve upon the present land tenure system.
iii. Upscale investments in renewable energy technologies for enhanced energy supply, access and security, and create an enabling environment for private sector investment in the energy sector.
iv. Finalise procurement and begin construction of the 40 MW solar PV power plant and 40 MW biomass power plant.
v. Review and update the solid waste management strategy, total banning of the use of plastic bags and facilitate the development of effective waste collection and disposal system in all 59 constituencies (tinkhundla).
vi. Review of air pollution control regulations and update of the registry of atmospheric emitters for submission of air quality management plans.
vii. Enhance and strengthen measures to integrate climate change considerations, environmental sustainability and disaster risk reduction in national development planning and budgeting processes.
viii. Strengthen capacity of relevant institutions to monitor and enforce environmental laws, and safeguards for improved environmental management and climate change by consolidating mandates of such agencies.
ix. Establishment of secured financing to enhance disaster preparedness and response, and investing in preparedness to minimise impact of disasters.
x. Enhance environmentally sensitive exploitation of proven mineral deposits.

6. **The NDP emphasises investment in infrastructure to expand economic network and digital innovation:** infrastructure is an enabler for socio-economic development and service delivery. Government will initiate significant investments to upgrade the standards of infrastructure in the country to stimulate economic recovery and support socio-economic development. The transport and logistics sector which enables mobility and connectivity will continue to remain a crucial driver of growth and development, thus investing especially in road and rail services to boost the private sector, tourism and regional development, which in turn will boost economic activities of small entrepreneurs, households and farmers. Upgrading, expansion and regular maintenance of these networks will improve the competitiveness of the country and create new corridors of economic activity. Better integration of these different transport modes will also create seamless connectivity for people and goods. Investing in rail will alleviate the pressure on the road network and extend its life.

   i. The Government will work with the private sector to create partnerships and an integrated logistics, which coupled with efficient trade facilitation can further boost regional and domestic trade.

ii. Digital programme aims at increasing ICT penetration and use of ICT services, reducing the costs of ICT devices and services for socio-economic development and increasing government services online. In addition, digital connectivity should also be expanded through policy, legal and regulatory reforms which will accelerate broadband infrastructure roll-out in non-urban areas, bringing connectivity and choice to MDAs, companies, independent institutions and households.
iii. In water and sanitation, more investments will be made to expand coverage and improve on access to extend to rural and poor households providing safe water and sanitation. For private sector, Eswatini will invest in new networks and treatment plant capacity to protect water sources and rivers.
iv. Energy underpins all efforts towards economic recovery, socio-economic development and peace and stability, thus efforts to further strengthen the security of electricity supplies will be intensified. This also applies to securing liquid fuel supplies. Energy development programme will be pursued to increase access and consumption of clean energy. Expected results include increase in primary energy consumption, the proportion of population accessing electricity, transmission capacity and enhanced grid reliability.

Given the huge capital layout required in this regard, development partners and the private sector are expected to play key roles of support and/or collaboration with the government under the Public-Private Partnership (PPP) arrangement.

7. **Cross-cutting and emerging issues**: are climate change, environment and disaster risk management which are considered as interrelated issues; national unity, peace and stability, gender, youth, population issues and implementation of policy reforms. Government will use this Plan period to strengthen the planning and budgeting processes and systems, by integrating cross-cutting issues into national development planning at national and sectoral level. This will be done to guide prioritisation of policy intervention and budget, and will re-introduce sector wide approach (SWAp). Strategies will be put in place by government to promote gender equality and protect the interests of children – both the boy and girl child, youth, PWDs and the elderly. Cross-cutting issues affect all sectoral and national outcomes and the general challenges that need to be addressed include capacity building; improving coordination and mainstreaming into policy, programmes and budgets; establishing systems and generation of disaggregated data for analysis and M&E. Implementation of strategies and interventions will be integrated in relevant sectoral development programmes (SDPs).

Financing and Implementation Strategy of the NDP: financing of the NDP will be within the national budget amount to be appropriated for the period, through locally generated revenue, loans and grants. Total expenditure over the planning period 2022/23 -2027/28 is estimated at E157.688 billion, consisting of E118.169 billion for recurrent expenditure and E40.519 billion for the capital investment programme. SACU receipts are estimated at E44.993 billion, E2.728 billion from development partners as grants, and E86.981 billion will be sourced from domestic collections including taxes, fines and other fees. In total, the estimated debt stock (external and domestic) over the medium term is E41.753 billion. As part of sound macro-fiscal management, the PFM Act (2017) and Regulations will be fully adhered to. All funding for financing government programmes including grants will be managed by central agencies and form a component of the MTFF. Projects and programmes funded through grants will be managed using the Development Cooperation Policy and PFM Regulations. Plan objectives will only be achieved if the proposed programmes are implemented committedly. The NDP submits that priority is given to the achievement of fiscal consolidation as a foundation for economic recovery, whilst acknowledging the need to tackle human development related programmes. Government is expected to maintain fiscal stability, implementing the key reforms and interventions, improve allocation efficiency and absorptive capacity and inculcating the culture of monitoring and evaluation that yield results.

As indicated in chapter 13 on M&E, the NDP implementation will be monitored and evaluated to determine achievements and challenges and ascertain if there has been impact and objectives achieved. Given the current fiscal and financing challenges, the MTFF is a critical instrument for managing domestic resources and funding from development partners as it is rolled out annually for budgeting. Government has considered the main risks that can affect the implementation of the NDP, and include macroeconomic and fiscal risks, governance, sluggish global and regional economic recovery, COVID-19, SACU revenue sharing arrangements, food and oil prices volatility and climate variability impacts. Government is willing to address a number of issues for the NDP to be successfully implemented which have a bearing on the revenue collections, service delivery and creating a conducive environment for businesses, improving infrastructure. Efficacious implementation can only be built into this NDP by ensuring local ownership of the Plan by all stakeholders, effective mobilisation of resources and development of timeous and robust monitoring and evaluation systems, which will require sustained investment in data collection, analysis and dissemination at national and sub-national levels.

In order to ensure operationalisation of the Plan, all sector development plans and programmes by MDAs will be aligned to the NDP, and prudent fiscal management exercised as indicated in the PFM Act (2017). Financial management of SoEs (inclusive of debt obligations) will be done accordingly as in the PFM Act for transparency and accountability. Implementation of these plans will also be linked to the macroeconomic framework and MTFF. Development partners will support the NDP implementation by aligning their frameworks to meet the aspirations of the Plan. The Plan acknowledges the need for risk informed development as a process because of the continuous interface across local, regional and global risks including political unrest, natural hazards and disasters, climate change, epidemics etc.

The Plan has therefore identified, analysed various potential risks and prescribed possible mitigation, continuous monitoring and management measures during the Plan period. It is envisaged that the agencies responsible will have their capacities strengthened, the M&E system upgraded and a policy developed to guide operational issues. Consequently, the monitoring and evaluation of the Plan will be strengthened by building capacity of the identified agencies including central agencies[4] and PPCU. Institutional reforms will be introduced for improved effectiveness during the implementation of the Plan. Implementation reforms have been identified for each programme to ensure the delivery of the desired results. The design for programme implementation provides a coordinated framework to focus on delivery of common results, enhance synergies and reduce the poor collaboration between agencies.

[4] Inclusive of CSO, Sectoral Unit and Poverty Unit at MEPD.

This will require strengthening the coordinating role of offices responsible for coordinating the NDP, budgeting, and planning units in ministries. Improvements will involve developing and operationalising an integrated web-based monitoring system that interfaces with the capital budgeting system and IFMIS to strengthen effective public policy management and promotion of good governance practices.

Table 2: The National Development Plan 2023/24 - 2027/28 Outcomes

National Outcomes	Sectoral Outcomes
1 - Good Governance, Economic Recovery and Fiscal Stability	1. Sustainable and Inclusive Growth 2. Stop the Bleeding: Fiscal Crisis Stabilised 3. Improved Fiscal Expenditure Management 4. Resource Envelope Risks Mitigated 5. Clarity on the Role of the Public Sector Restored
2 - Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth	1. Re-engineered Economic Growth for Recovery 2. Strengthened Business Environment 3. Increased Employment-Stimulating Investment 4. Dynamic Entrepreneurship and MSMEs Fostered 5. Modernised Agriculture for Increased Resilient Production and Value Addition 6. Climate Smart Investment
3 - Enhanced Social and Human Capital Development and Sustainable Livelihoods	1. Improved Access to Quality Health and Health-related Services 2. Improved Access to Quality, Relevant and Inclusive Education and Lifelong Learning Opportunities 3. Improved Management and Access to Safe Drinking Water Sanitation and Hygiene 4. Enhanced Food Security and Nutritious Food 5. Reduced Poverty Rates in all its Forms 6. Enhanced Social Cohesion and National Unity 7. The Youth and Other Vulnerable Groups Empowered with Adequate Skills and Opportunities 8. Improved and Well-targeted Social Protection Services 9. Improved Decent Housing for Vulnerable emaSwati
4 - Efficient Public Service Delivery That Respects Human Rights, Justice and the Rule of Law	1. An Efficient, Productive, Dependable and Modern Government Service 2. Safe and Secure Country and Living Environment 3. Strengthened Implementation and Enforcement of Human Rights, Law and Order, and Constitutionalism 4. Enhanced Service Delivery Focused on Improving Citizens Livelihoods 5. Rural Communities Developed
5 - Well Managed Natural Resources, Environmental Sustainability and Disaster Risk Management	1. Improved Management of Water Resources, Access to Safe Drinking Water and Sanitation for all 2. Improved Land Governance, Land Use Planning and Management 3. More Equitable, Inclusive, Sustainable and Appropriate Management of Energy, Renewable and Non-renewable Natural Resources 4. Improved National and Community Resilience to Climate Change impacts and Disaster Risks 5. Clean and Safe Environment and Sustainable Use of Natural Resources Enhanced 6. Enabling Environment for Green Growth Strengthened
6 - Efficient Economic Infrastructure Network and Innovation	1. Upgraded Physical Infrastructure to Enhance Access and Connectivity 2. Improved Coverage, Quality, Reliability and Affordability of Digital Infrastructure and Services 3. Sustainable, Clean and Affordable Energy Secured 4. Investments in Water Services Sector strengthened

CHAPTER 1
BACKGROUND AND SECTORAL DEVELOPMENTS

1.1. Introduction

Eswatini has enjoyed peace and stability for decades, and has been regarded as the most peaceful and stable country in the continent. In addition, it has exercised sound macroeconomic management which has resulted in a strong policy environment that boosted economic performance and overall socio-economic development. GDP growth averaged about 7 percent in the 1980s. Eswatini has been growing at very low rates since early 1990s, and only experienced growth rates averaging above 5 percent in 2005, 2006, 2012 and 2021. Economic performance in terms of growth has averaged about 2 percent between 2011 and 2020. The economy is highly dependent on external market and the country's growth trajectory is largely reliant on developments of the South African economy as its major market –74 percent of the domestic imports and 69 percent of the country exports in 2021. As a small state the country is vulnerable to external shocks and mainly due to her high level of openness. Eswatini has a high GDP per capita estimated at USD4,215 (2021) but the standards of living and public services are generally in contrast and are below SSA average and countries in the same category. The economic success has largely been driven by two factors - its strong economic ties with South Africa its main trading partner and, peace and political stability.

Eswatini's economy continues to underperform resulting in a narrow private sector and product base, job losses and high level of unemployment estimated at 33.3 percent in 2021. The country is considered a high poverty and inequality country. More than 50 percent of wealth is owned by less than 20 percent of the population. Eswatini has enjoyed prosperity in the past and achieved high rates of economic growth, but recent developments i.e. deteriorating business environment, COVID-19 impact and political unrests warrant policy attention and action. Uncertainties surround peace and political stability. The current challenges have a potential to reduce some of Eswatini's relative attractiveness as an investment destination.

Persistent worsening of macroeconomic imbalances and deterioration of public and external debt will likely increase Eswatini's difficulties in ensuring sustainable financing of its budget. Gross domestic debt is at 43 percent of GDP (as in March 2022) which is above the 35 percent of GDP ceiling set in the past NDP, and caution should be taken to manage it prudently. The NDP expects the ceiling of 35 percent of GDP to be gradually returned to and achieved in 2027. The deteriorating economic situation prompted Government to engage the IMF resulting in the FAP for fiscal consolidation programme to be achieved by cutting expenditures and improving on revenues. The FAP implementation started during the FY2021/22 and should be under implementation for three years. The development gains of the past have worn out leaving a struggling economy with the potential for growth heavily challenged by poor governance and political instability.

Consultations with stakeholders specified priority areas that required urgent attention, as the challenges were seen to have become more complex with the politically related issues. They identified the big challenge as the restoration of good governance measures with a particular focus on tackling economic management problems, corruption, peace and stability as well as nation building; followed by creating a conducive business climate, lowering the unemployment rate, eliminating poverty, and confronting the challenges of climatic change. The development path has reached a point where the economic, social and political challenges are at cross-roads. The path to economic recovery is not an easy road, as more barriers are to be overcome. A relatively smooth transition to good governance will be facilitated by several factors, including an in-built culture of tolerance, strong clean institutions, good education and development levels, a dynamic, well-developed public service and civil society. Government is modifying its vision as well as to adapt, reformulate, and reinforce essential components of the Development Plan by integrating climate change and disaster risk management, which has left devastating consequences upon the population and economic activities. Government is treading new avenues in which it has no experience or resources.

Eswatini has a youthful population at 72.9 percent of the population. Unemployment has remained for the last 20 years at more than 20 percent on average and has grown to 33.3 percent (LFS, 2021). It affects mainly young people at 58.2 percent unemployment rate especially college graduates and women. Nonetheless, government has an opportunity to reap benefits from the demographic dividend if it invests in this population. Unemployment rates are higher in rural areas and especially in Lubombo and Shiselweni which are the poorest, vulnerable and food insecure regions. Given the increasingly challenging socio-economic context, the Government recognises the need to monitor the food security situation in the most vulnerable areas through the NDMA and the VAC in order to inform and enhance shock preparedness and response. In addition, the climate change studies and analytical work undertaken show that Eswatini is vulnerable to climate change impacts. The lowveld is already feeling the impact with some areas having regular drought. The future does not look promising and could change the economic development trajectory. Acting now and showing commitment and political will is crucial.

This Plan is a five-year roadmap for the Government to implement the development agenda which will be translated in a transformation of the national economy to a model driven by a credible public sector, competitive private sector and innovation and knowledge. Several reforms will be carried out to this effect and they are to revolve around six major national outcomes: investing in people as the country's greatest asset; restoration of sound macro-fiscal management; development of the economic arrangement toward an eco-friendly economy with high technological component for the creation of competitiveness of the private sector; improvement of business environment and attractiveness of the country; strengthening the management of natural resources, climate change, environment and disaster risk; as well as investing in improved infrastructure network and digital connectivity. Overall, all national outcomes are inter-linked and underpinned by mainstreaming of climate change, environment and disaster risk management.

Climate change, environment and disaster risk are an important topic for the Government, and improvements in governance and coordination can be achieved by consolidating activities and finances of the agencies to streamline institutional fragmentation and policy coordination challenges. On disaster risk, the plan is to strengthen overall emergency preparedness and response as well as disaster risk reduction efforts. Eswatini requires a unified and comprehensive legal and policy framework for disaster and climate-related risk management. The current disaster risk reduction legislative framework essentially focuses on emergency response than preparedness.

Government recognises that economic development cannot be achieved without good governance principles and is placing in priority national reconciliation to be able to address social ills and current challenges. It also acknowledges that economic recovery will be achieved if the FAP is successfully implemented to stimulate growth.

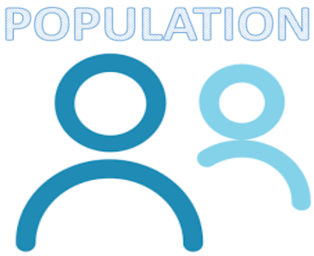
1.1.1. Outline of the Plan

This NDP is organised as follows: Chapter I contains the introduction and background, review of macroeconomic performance—global, regional and domestic—past achievements and challenges are also examined in this Chapter. Chapter 2 presents a brief on green growth. Chapter 3 describes the macroeconomic framework under which the Plan will be implemented. Chapter 4 is an introduction to the National Development Plan 2023/24 – 2027/28. Chapter 5 to 10 presents the strategic areas of the Plan as comprehensively laid out across six (6) national outcomes. Financing and implementation modalities of the plan is discussed in Chapter 11, while Chapter 12 discusses the risk assessment presenting likely challenges to be faced during implementation and how they could be mitigated. Chapter 13 discusses implementation and coordination as well as the monitoring and evaluation framework of the Plan. Chapter 14 is the conclusion and it gives highlights of the issues raised by stakeholders during consultations. Attached as annexes are capital projects, government structure, M&E indicators and linkages with SDGs, NDC, AU Agenda and Sendai framework.

1.2. Country Context

1.2.1. Demographics and Socio-economic Development

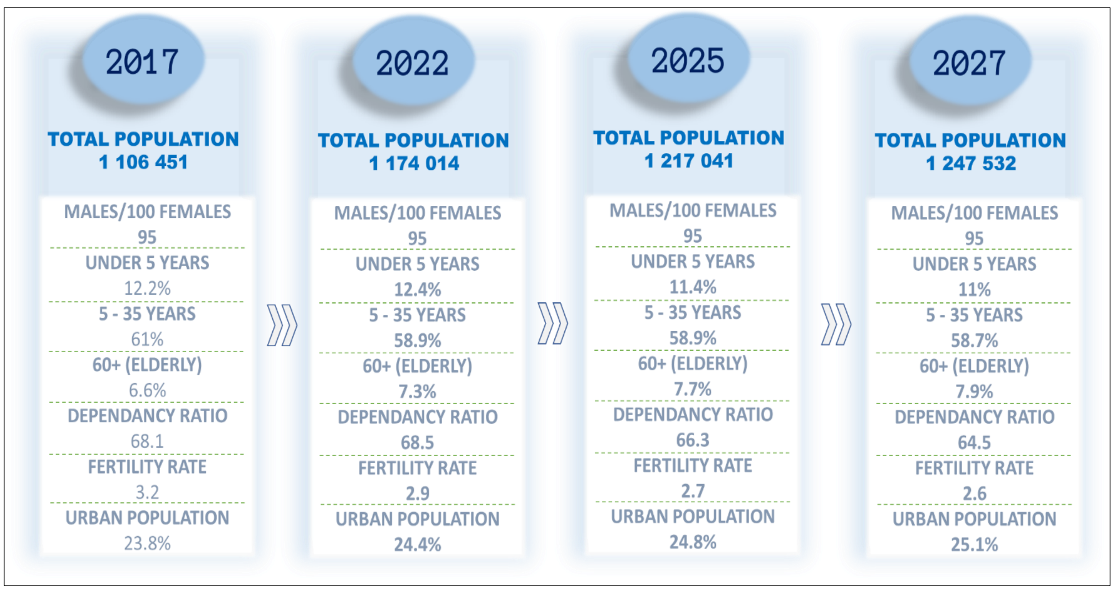
In spite of the small size of the country, the land and climate are diverse with four geographic regions, including the mountainous high-veld with gorges, waterfalls and rivers; the middle-veld, which is endowed with fertile soils and is home to the largest industrial area; the lowveld with sub-tropical climate and home to most of the sugarcane farming; and the Lubombo plateau, which exhibits climatic conditions similar to those of the middle-veld. The country receives about 75 percent of its precipitation from October to March, and is endowed with a number of natural resources including arable land (10 percent of total land area), water (covering 160 square kilometres) and minerals. Eswatini is highly dependent on rain for agriculture and livelihoods. For its rivers, it has transboundary water agreements with RSA and Mozambique.



The population growth was 2 percent in 1961, rose to 3.4 percent in 1986, dropped back to 2 percent in 1996 and declined further to 0.7 percent in 2017 following interventions for population controls. Projections for 2017 – 2038 indicate an average growth rate of 1.2 percent per annum, with the 2022 population at 1,174,014 comprising of 571,756 (48.7 percent) males and 602,258 (51.3 percent) females. During the period of this NDP, the total population of Eswatini is projected to increase at a slow rate and reach 1,247,532 in 2027.

The slow growth in population has been as a result of an observed continuous fall in the fertility rate from an average of 7.8 children per woman in 1966 to 3.2 in 2017 and to reach 2.6 by 2027. Birth rates have been declining over the years and are expected to decrease further from 28.9 births per 1000 women in 2017 to a projected 22.9 births per 1000 in 2027.

Figure 1: Eswatini Population Characteristics for Selected Years (2017 – 2027



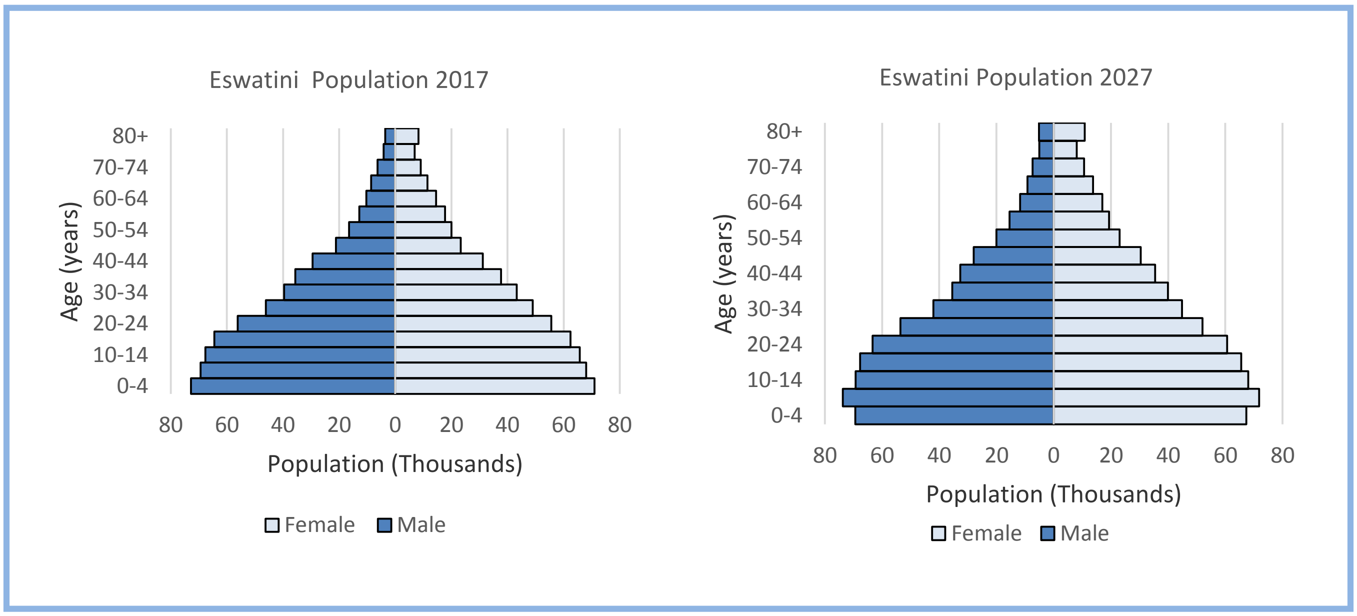
Source: Adapted from CSO 2017 – 2038 Population Projections

The observed fall in fertility resulting in overall decline in birth rates has come through due to the strengthening of family planning services, effective contraceptive methods and improved child survival, education and empowerment of women. However, there was a sharp increase in mortality due to COVID-19 pandemic in the period 2019 to 2022 and unexpected climate change related hazards.

Population residence: observed over time has been a ratio of about 70:30 for rural versus urban. As observed in the 2017 Population Census, more migration is expected from poor drought-stricken areas especially in Lubombo and Shiselweni as forecasts on climate change indicate a worsening of climate conditions. Currently, the population residing in urban areas is estimated at 24.4 percent whilst those in rural areas are estimated at 75.6 percent. The Shiselweni region continues to have the lowest population compared to the other regions, this trend is projected to continue up to the end of the projection period 2038. Currently, the Hhohho region has a population of 328,635 (28 percent), Manzini 365,822 (30 percent), Shiselweni 230,694 (19 percent) and Lubombo 270,777 (23 percent). The Hhohho and Manzini regions have a higher population compared to the other two regions. Furthermore, the average number of people living in households has declined from 4.7 in 2007 to 4.0 in 2017. On the other hand, a new dimension has emerged with the country recording about 283 people as homeless. Although this number is very low, it is a concerning development.

Age structure: Eswatini has a fairly youthful population, 72.9 percent of total population are below 35 years. Figure 1 below show the population changes taking place in the next five years as per the projections. As the pyramids indicate, there is a population bulge in the middle-ages and the change is driven by the fall in the total fertility rate and birth rates. There are other social factors that can also contribute to the changes.

Figure 2: Eswatini Population Pyramids for Selected Years (2017 - 2027)



Source: Adapted from CSO 2017 – 2038 Population Projections

The 2017 and 2027 population pyramids reveal a remarkable decline in the age group 0-4, as a result of a combination of factors at play. Fertility and the birth rates are falling and is evident among the working class especially young professionals, high infant mortality could be another contributing factor due to rise in teenage pregnancies especially among poor households. This raises critical policy issues related to food security, education, health and social protection to cater for their livelihoods. Food insecurity levels are the highest in Lowveld areas, which are affected by drought and desertification. The most vulnerable groups in need of food assistance are women, children, young girls and boys, and disabled people and those living with HIV/AIDS. Such policies and their implementation is vital for their nutritional requirements including pregnant women and infants in the age group 0-5 years, to prevent stunting, malnutrition, underweight and wasting which has been worsening in recent years. Poor nutrition also affects children at school as it contributes to poor learning outcomes, high repetition rates and increase in school drop outs. According to a study done by MEPD with UNICEF (2018), 56.5 percent of children face multidimensional poverty and 7 in 10 children go hungry. In addition, 40 percent of all Swazi adults are stunted.

The age group 6-24 comprises of 41 percent of the total population and represents the population in the education system from the first grade to tertiary level. These are the critical formative years of a child's growth and period for family and government's intervention in building human capital and a future for the children. Yet, statistics indicate social challenges such as poverty, disintegrating families, HIV/AIDS, COVID-19, social unrest, Russia-Ukraine war which is pushing up commodity prices, and high unemployment. According to NDMA (2022), food insecurity is expected to linger on as 29 percent of the population continues to face a food security crisis. School feeding and accessing food through NCPs has been a relief to poor families. To access food, people resort to negative coping mechanisms, including withdrawing children from schools. There are many negative factors affecting performance and productivity – disparities between rural and urban schools, private and public schools, investments in technology, behavioural and discipline issues, drug abuse, mental disorders such as ADHD, teenage pregnancy (12-19 years old), loss of interest in school, school drop-outs and gender-based violence. Upon completion of their studies, they face unemployment which currently stands at 58.2 percent (Labour Force Survey 2021).

Harnessing the demographic dividend: the DD can be defined as the benefit that a country derives from investing in the health, education, employment opportunities that arise through a relatively large proportion of working population due to declining fertility. With 43 percent of the Swazi population currently 24 years of age and below, Eswatini can harness the DD if it makes huge investments in its young people and transforms education and skills development, health and well-being, empowerment as well as employment and entrepreneurship. This is placed at the centre of progress, sustainable growth, peace, stability and development. Investments made today in the Swazi youth, which represent country's greatest asset will determine the development trajectory of Eswatini over the next decades. The education and health systems are defective with sparks of success in a very few areas. Eswatini experienced a decline in human capital index[5] from 0.47 in 2018 to 0.37 in 2020. This is lower than the average for Sub-Saharan Africa region and lower middle-income countries. There has to be a massive shift in priorities accompanied by high investments in health particularly access to family planning, lowering mortality and fertility as well as eliminating gender inequalities. It has to be accompanied by improving access to quality education that matches labour market demands. Putting in place macroeconomic measures that would facilitate job creation and entrepreneurship is critical including removing barriers that inhibit businesses. These are all central to economic transformation and are interlinked. Given proper investments, population dynamics would play an important role in facilitating high and inclusive growth and poverty reduction for Eswatini. According to the AU (2017) there are principles and values that facilitate empowerment and the creation of an enabling environment within countries to harness and maximise the demographic dividend:

[5] Measure of productivity of a child if s/he has enjoyed complete education and full health

(i) Upholding of the principles of transparency, democracy, good governance, anti-corruption and the rule of law;
ii) Accountability in the delivery of services and the effective performance of accountability institutions, particularly parliaments, the judiciary, and civil society organisations;
iii) Women and youth participation in decision-making at all levels;
iv) Equity and accessibility- leaving no one behind;
v) Multi-sectoral approach to development; and
vi) Human rights for all.

The gain in life expectancy in the population is a result of improvements in health interventions such as investments in ART for the HIV positive persons, immunisation and the general improved access to health services. The health sector made progress in reducing under-five mortality, from 62.54 per 1,000 live births in 2013 to 46.64 per 1,000 live births in 2020; infant mortality from 49.4 per 1000 live births to 43.4 per 1,000 live births to 37.4 per 1,000 live births in 2020. On education, with the FPE primary school enrolment rose to 124 percent in 2011 to drop to 114 percent in 2019. UNESWA provides higher education and is ranked number 138 out of 1,104 universities in Africa. Currently it is underfunded with quality of teaching and infrastructure deteriorating. Youth unemployment has risen from 47 percent in 2017 to 58.2 percent in 2021. Only 2 percent of youth have no formal education and 29 percent of have attained at most incomplete primary education. On the other hand, economic growth is averaging around 2 percent whereas poverty can only be reduced with a growth of 5 percent and above. As a result of changes in population age structure, coupled with declines in mortality and fertility, an opportunity exists to reap the demographic dividend and accelerate economic development. However, there remains a multiple of missed opportunities to cultivate and harness the potential of the youth with the poor investments in critical sectors. A change of priorities and investments will change the trajectory. Sustainable development for all cannot be achieved without tackling poverty and inequalities. A comprehensive change in social protection system can alleviate some of the bottlenecks by removing those are ineligible. The high unemployment among the youth has resulted in high dependency on the elderly for economic support.

Socio-economic challenges: the COVID-19 pandemic, political unrest and Cyclone Eloise exposed the country’s vulnerability to external shocks. As a small and landlocked country, Eswatini is vulnerable to international and regional developments such as the Russia-Ukraine war contributing to rising oil and food prices, hurting the poor most. Already, Eswatini is regarded as a high poverty, unemployment, inequality, and HIV country with prevalence levels historically high. Progress has been made in achieving the 95:95:95 ratios with HIV/AIDS, however, infections among the youth are increasing and sustaining that during a period of a fiscal crisis and without assistance of development partners is a big challenge. Poverty levels have been stagnant and declining very slowly and most likely to have increased with the cyclone, unrests and COVID-19. The worrisome issue about poverty is the effect on children as 56.5 percent are found to suffer from multidimensional poverty and only 26 percent of the eligible children are benefitting from the social assistance system. With close to a third of the population living below the US$1.90/day (2011 PPP) international poverty line, the country still faces notable development challenges, despite these improvements. The poverty rates remain high at 59 percent, with 20 percent of the population below the extreme poverty line. Further, despite rising incomes per capita, income inequality levels are one of the highest in the world, illustrated by a GINI coefficient of close to 49.3 in 2017 (CSO, EHIES 2017).

The observed increase in the elderly population (60 years and above) indicate an increase in life expectancy as depicted in the population pyramids from 2017-2027. Government is implementing a policy of free medical care for the elderly in state facilities and it is having a positive effect, except for the shortage of drugs. These gains could be reversed by the shortage of drugs in health facilities, high unemployment levels and general job losses as a result of COVID-19 and other socio-economic challenges.

Unemployment levels also remain high at over 33.3 percent and this is particularly impacting the increasing number of youths entering the workforce, with youth unemployment as high as 58.2 percent. Finally, despite significant progress on health outcomes, including a recent reduction in HIV/AIDS incidence from 2.1 percent in 2011 to 1.4 percent in 2016 (SHIMS, 2016[6]), rising infections especially among young people are a great concern, and life expectancy at birth in Eswatini remains low at just 60.2 years (CSO, 2017).

[6] SHIMS 2020 results not yet available

Table 3: Selected Socio-economic Indicators

INDICATOR	VALUE
Total population (2022, projection)	1,174,014
Population growth rate (2018)	0.70%
Children under 18 (2018)	537,617
Children as a percentage of population (2018)	45.80%
National poverty rate (2017)	58.90%
Child poverty rate (2019)	56.5%
Extreme poverty (2017)	20.10%
Human Development Index (2019)	0.611

INDICATOR	VALUE
Percentage of Income Poor ($1.90 a day)	28.4%
Percentage of Poor (National Poverty Line)	58.9%
Multi-dimensional poverty rate for children (2019)	56.50%
percentage of households receiving OVC grant	19%
Human Development Rank (2019)	138/188
Life expectancy at birth – males (years)	60.85
Life expectancy at birth – females (years)	65.52
Maternal mortality rate (per 100,000 births)	474

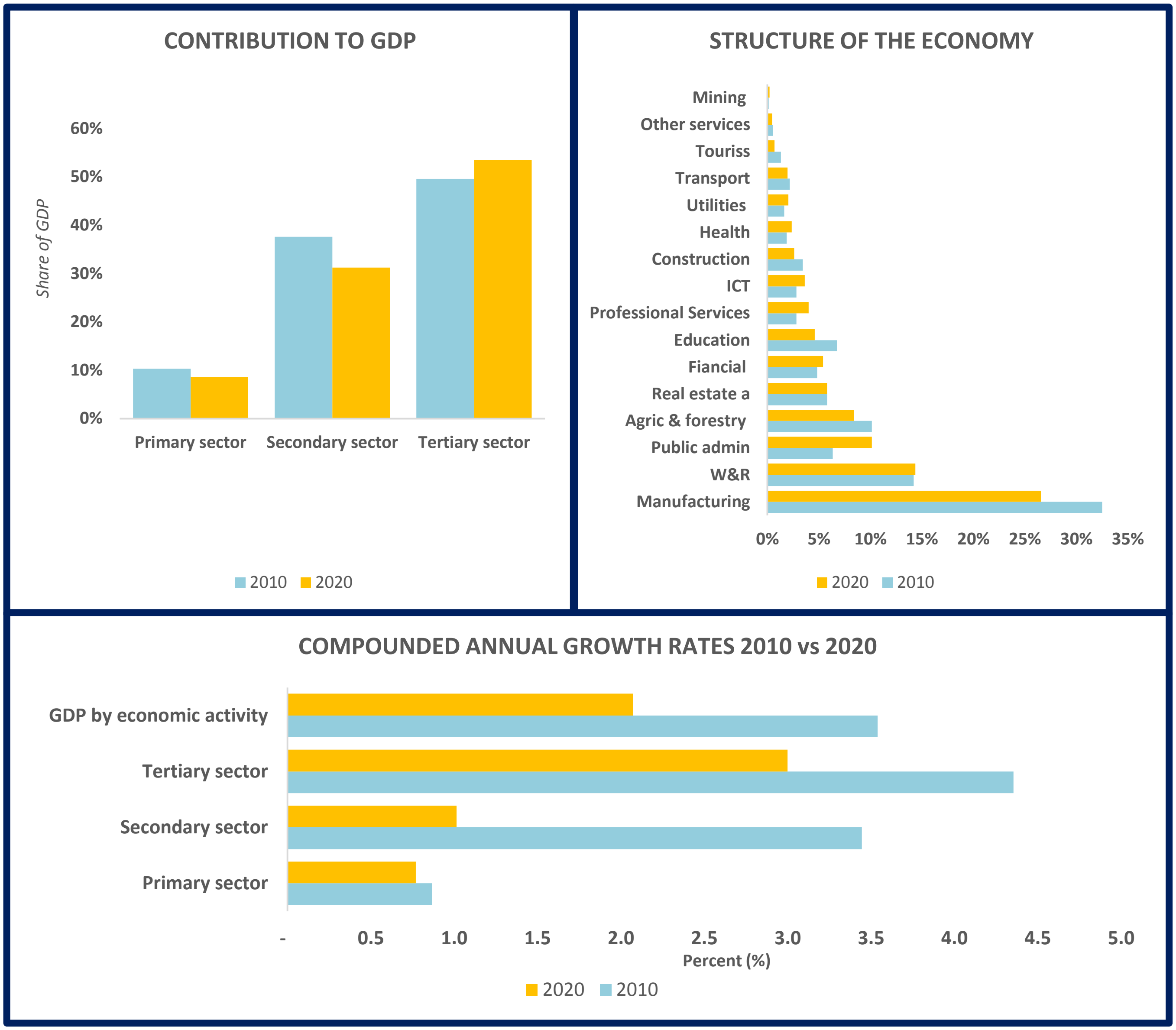
INDICATOR	VALUE
HIV incidence rate among 14 to 49-year-olds	10.21%
Co-infection of HIV and AIDS & tuberculosis (2019)	66%
Literacy rate (2018)	88.4%
Unemployment rate	33.3%
Percentage of Income Poor ($3.10 a day)	51.8%
Income Inequality (Gini index)	0.515
Multi-dimensional poverty rate (2019)	19.2%
OVC as a share of all children (2018)	71%

Source: Oxford University and the UNDP (2020). Multi-dimensional Poverty Index Table

1.2.2. The Macroeconomic Environment

1.2.2.1. The Changing Structure of the Domestic Economy

Figure 3: Economic Structural Shifts (2010 - 2020)



Source: CSO National Accounts & MARD, Ministry of Economic Planning & Development (MEPD)

Diminishing productivity constraints: real GDP growth decelerated from an average of 3.6 percent to 2.1 percent per year for the decade 2010 to 2020 largely due to weakened productivity growth for the secondary and service sectors of the economy. Over the last decade the structure of the economy shifted in favour of the service sector, rising from a 50 percent contribution to GDP to 53 percent, while the share of the secondary sector declined from 38 percent of GDP to 31 percent, and the primary sector's contribution relatively stable at 9 percent of GDP[7]. Private sector has historically been the engine of Eswatini's long-term productivity and economic growth particularly in manufacturing and agriculture, but has experienced uninspired growth of 1.0 and 0.8 percent respectively in the last decade. As a result, the long-term growth rate for the secondary sector slowed down from 3.4 percent in the last decade, while the primary sector's growth rate has stagnated at around 0.8 percent. The observed increase in contribution of the service sector to GDP is driven largely by the government subsector particularly public administration which has grown from 6 percent of GDP in 2010 to about 10 percent of GDP in 2020. This underpins the impact government has in the economy to drive growth.

Investment: there has been an observed decline with gross capital investment decelerating from an average of 18.4 percent in the early 2000's to around 12.9 percent in 2020. Private investment has declined and public investment increased through SoEs. It has fallen from 17.7 percent of GDP in 2001 to 8.5 percent of GDP in 2019, largely due to disinvestment from South African firms and reduced FDI inflows. On average, private investment is estimated at 5.4 percent in the last 5 years. However, due to serious cashflow challenges being experienced in the past five years, public investment has been on a declining route and private investment is on a gradual picks-up.

1.2.2.2. Recent International Developments

Table 4: GDP Growth Rates (%) of Selected Regions & Countries

Global Real GDP Growth	2020 est.	2021 est.	2022f	2023f
World Output	**-3.1**	**6.1**	**3.6**	**3.6**
Advanced Economies	**-4.5**	**5.2**	**3.3**	**2.4**
United States of America	*-3.4*	*5.7*	*3.7*	*2.3*
Euro area	*-6.4*	*5.3*	*2.8*	*2.3*
Germany	*-4.6*	*2.8*	*2.1*	*2.7*
Japan	*-4.5*	*1.6*	*2.4*	*2.3*
United Kingdom	*-9.4*	*7.4*	*3.7*	*1.2*
Emerging markets & Developing Economies	**-2.0**	**6.8**	**3.8**	**4.4**
China	*2.3*	*8.1*	*4.4*	*5.1*
India	*-7.3*	*8.9*	*8.2*	*6.9*
Sub-Saharan Africa	**-1.7**	**4.5**	**3.8**	**4.0**
Nigeria	*-1.8*	*3.6*	*3.4*	*3.1*
South Africa	*-6.4*	*4.9*	*1.9*	*1.4*

Source: World Economic Outlook, April. 2022

Global Developments: in 2021, the global economy is estimated to have grown by 6.1 percent, reflecting a stellar rebound in economic activity and the weakening effects of the COVID-19 pandemic in many parts of the world, after a historic contraction of 3.1 percent experienced in 2020. In the medium-term,

[7] The residual is accounted for by taxes on products

specifically 2022 and 2023, global economic activity is anticipated to moderate to an average of 3.6 percent, due to the emerging challenges emanating from the geopolitical tensions between Russia-Ukraine which is anticipated to have negative ramifications on the global economy. This is likely to be transmitted through commodity prices and supply chain disruptions as well as food security concerns particularly in developing countries.

The risks to the global medium-term outlook include the possibility of the worsening of the geopolitical tension, and the escalation of the sanctions on Russia. Additionally, the Chinese economy is projected to decline deeper than earlier anticipated after grappling with the effect of COVID-19 as the country's strict COVID-19 policy (zero tolerance to new COVID-19 cases) is being tested by the emergence of a new COVID-19 variant (e.g., Omicron). Additionally, wider social tensions emanating from the soaring food and energy prices is expected to further weigh down on the global economic outlook.

Regional trading partners: the South African economy recovered by 4.9 percent in 2021, following a decline of 6.4 percent in 2020, mainly underpinned by the global economic recovery associated with the easing of COVID-19 restrictions. In 2022, the economy is envisaged to decelerate to 1.9 percent due to power outages, unsustainable debt levels, tighter global financial conditions, as well as elevated food and other commodity prices emanating from the tensions between Russia and Ukraine. The Eswatini economy has close links to the RSA economy, mainly through a currency peg as well as trade agreements. Developments in the RSA economy is thus anticipated to weigh on domestic economic performance mainly through subdued export demand as well as the currency links.

The Sub-Saharan Africa region is estimated to have grown by 4.5 percent in 2021 following a contraction of 1.7 percent in 2020, mainly backed by a strong resurgence in commodity prices, resumption of tourism related activities as well as the easing of COVID-19 restrictions, which resonates with the recovery in global economic activity in the period under review. In 2022, the region's aggregate growth is anticipated to soften to 3.8 percent, owing to the Russia-Ukraine political turmoil which has since fueled social and political unrests, particularly in West African countries (i.e., Mali, Sudan, Chad, Burkina Faso etc.). Over and above the inflationary pressures, the social and political turmoil are likely to hinder economic performance and disrupt trade and investment flows. On the contrary, the region's oil exporters (e.g., Nigeria and Angola) are likely to benefit from the political tensions through increased demand and higher prices of crude oil.

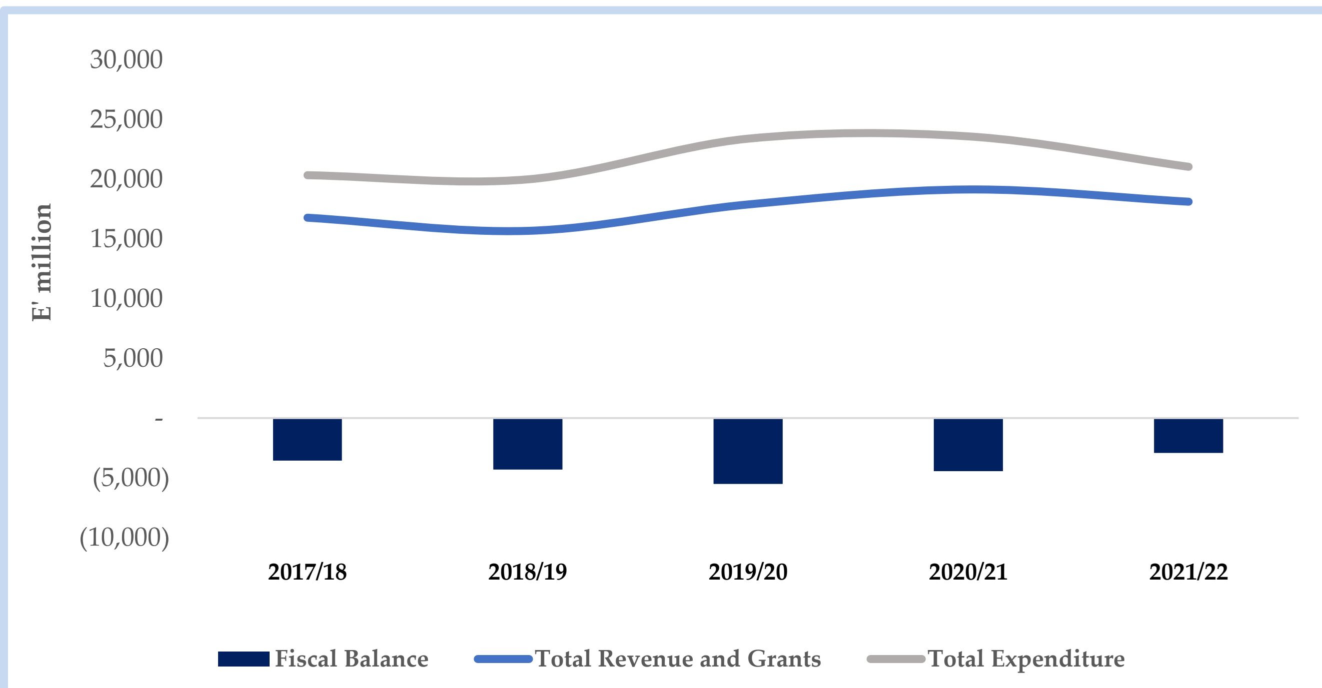
Overseas trading partners: in 2021, economic output in advanced economies (AE's) was estimated to have rebounded by 5.2 percent following a 4.5 percent contraction in 2020, mainly supported by the resurgence in performance of most economies including the United Kingdom (UK), the United States (US), the Euro Area, and Japan which grew by 7.4 percent, 5.7 percent, 5.3 percent, and 1.6 percent, respectively in the review period. Economic expansions in the AE's benefitted from fiscal stimulus measures as well as scaled up vaccination efforts allowing for the easing of the COVID-19 restrictions and full opening of the economies.

In the medium term, AE's growth is projected to decline to 3.3 percent in 2022 and 2.4 percent in 2023, mainly driven by the geopolitical tension, with the anticipated global spill-overs on commodity prices, trade, and financial linkages; as well as the envisaged supply chain disruptions emanating from China's economic slowdown. These are expected to weigh down on the performance of this region. Moreover, threats from future outbreaks of COVID-19 waves owing to slowed vaccination programmes in most low-income countries are expected to force economies to renewed lockdown episodes, thus constraining economic activities. The anticipated weakening aggregate demand for these economies will likely pose heightened threat to the domestic economy which is highly export-oriented.

1.2.2.3. Recent Domestic Fiscal Developments

Fiscal balance: the fiscal deficit refers to the difference between total government revenue against a defined budget. On the other hand, the primary balance is the difference between total government revenue collected and expenditure excluding debt servicing. Eswatini's primary deficit has remained negative for the last four years. In 2021/22, the fiscal balance was on a decline, in line with government efforts for fiscal consolidation which are prioritising expenditure cuts and revenue enhancements. Resultantly, both the primary deficit and the fiscal deficit fell to 4.1 percent from 6.7 percent in 2020/21 and 2.3 percent from 4.5 percent of GDP, respectively. The deficit is driven by virtue of expenditures being higher than revenue, emphasising the need for financing to cover the gap.

Figure 4: Fiscal balance in levels



Source: MoF MTFF March 2022

Fiscal revenues: in the FY 2021/22, in line with the recovery in the domestic economic activity, domestic revenue mobilisation rebounded, benefitting from the easing of the COVID-19 restrictions. On the contrary, taxes on international trade, particularly SACU, netted off the recovery resulting in a fall in overall government revenue. In the preceding fiscal year (FY 2020/21), the outbreak of COVID-19 and its related containment measures, constrained economic activity thereby reducing the domestic's tax base.

As a result, taxes on income and profits, i.e., the personal income tax (PIT) and corporate income tax (CIT) were hardest hit as the economy struggled with depressed wages (due to job losses and retrenchments) as well as scale-down in operations of most business entities. Taxes on consumption (i.e., Value Added Tax, fuel) were also negatively impacted as domestic demand declined. Other taxes and fees (i.e., property income, fines and penalties) also plummeted owing to the economic disruptions.

The revenue outturn figures reflected that total revenue including grants, fell by 5.3 percent in the FY 2021/22 and were estimated at E18.65 billion. This fall emanated from the decline in the SACU receipts, which was estimated at a contraction of 23.6 percent in the period. Mitigating this decline was the rebound of VAT which increased by 17.7 percent, PIT rising by 5.2 percent as well as CIT surging by 28.7 percent in the review period. In terms of revenue mobilisation, the government is pursuing fiscal prudence using fiscal policy to reduce the budget deficit and exercise debt management through prioritising payment of arrears among other strategies.

Figure 5: Fiscal Revenues as a % of GDP

Estimates as of March 2022	2017/18 actual	2018/19 actual	2019/20 actual	2020/21 actual	2021/22 out turn
Total Revenue & Grants	28.20	25.10	27.50	28.80	25.30
Domestic taxes	14.40	14.50	15.40	15.10	15.60
CIT	2.30	2.30	2.60	2.20	2.60
PIT	5.10	5.20	5.40	5.40	5.20
VAT	4.20	4.60	4.50	4.90	4.90
Other income tax	0.70	0.80	0.70	0.90	0.70
Excise					
Fuel levy	1.70	1.90	1.90	1.80	1.80
Other (sum of all the other small lines)	1.00	0.50	1.30	0.60	0.50
Grants	0.90	0.70	0.80	0.40	0.20
Taxes on International Trade and transactions					
SACU	12.00	9.30	9.70	12.60	8.90

Source: MoF MTFF March 2022

Fiscal expenditures: the commencement of the FAP in the FY2021/22 came with strict controls on expenditures which were supported by certain measures undertaken by MDAs in their sectors. For instance, the fast-tracking of the vaccination programme for COVID-19 ultimately contributed towards the containment of the spread of the virus thus contributing towards the reduction in government spending as less people became infected. Overall, spending fell by 10.8 percent.

Government consumption is measured through the spending on items that are recurrent in nature. The purchasing of goods and services is estimated to have contracted by 18 percent in the review period, largely attributed to a fall in CTA expenses, travel expenses as well as durables, which succumbed to government's deliberate move in reducing inefficiencies and containment of recurrent expenditures. Compensation of employees declined in the review period, following the continued stance in the hiring freeze policy as replacement rate remained far below the attrition rate. This policy, which has been in effect since FY 2019/20, aims at restructuring the fiscal position through the rightsizing of the civil service headcount, thus reducing the wage bill. However, it is being reviewed for social sector to address capacity issues and security measures following the political unrest in June 2021.

Debt servicing on the other hand, which is one of government's obligatory expenditures and is accounted for through debt interest payments, is estimated to have fallen by 9.3 percent, largely owing to the strengthening of the domestic currency. Transfers directed to internal state-owned enterprises and international organisations also declined by 7.2 percent.

Government capital programme is a component of expenditure that is focused on the accumulation of fixed capital formation through the enhancement of public investment. The capital programme includes projects related to physical infrastructure development such as roads, buildings, bridges, telecommunication, and dams among others. However, expenditure control happened at the expense of capital formation as a 30.3 percent contraction in capital expenditure was observed for the FY2021/22 outturn. This decline was on account of the on-going fiscal consolidation, with focus on the completion of on-going projects with limited scope for an uptake of projects of a similar size. These on-going projects which most were at peak and some due for completion, included Mphandze- Mbhadlane Lot I and Lot II, Lukhula-Big Bend, LUSIP II extension (downstream development), International Convention Canter and Five Star Hotel (ICC-FISH), probase, and water supply and sanitation project. The decline affected both domestically and externally (loans and grants) financed capital projects.

Table 5: Fiscal Expenditures as a % of GDP

Estimates as of March 2022	**2017/18 act.**	**2018/19 act.**	**2019/20 act.**	**2020/21 act.**	**2021/22 out turn**
Total expenditure	34.20	32.00	36.00	35.50	29.40
Expense (Recurrent)	27.40	26.60	27.10	28.00	24.50
Compensation Of Employees	13.60	13.40	12.40	12.60	11.40
Interest Repayments	1.20	1.30	2.10	2.20	1.80
Transfers	18.10	13.80	16.60	17.60	18.70
Goods and Services	5.40	4.60	4.40	4.40	3.30
Capital	6.80	5.30	8.90	7.50	4.90
Other Expenditures (incl. social benefits)	*1.60*	1.50	3.50	3.30	3.20

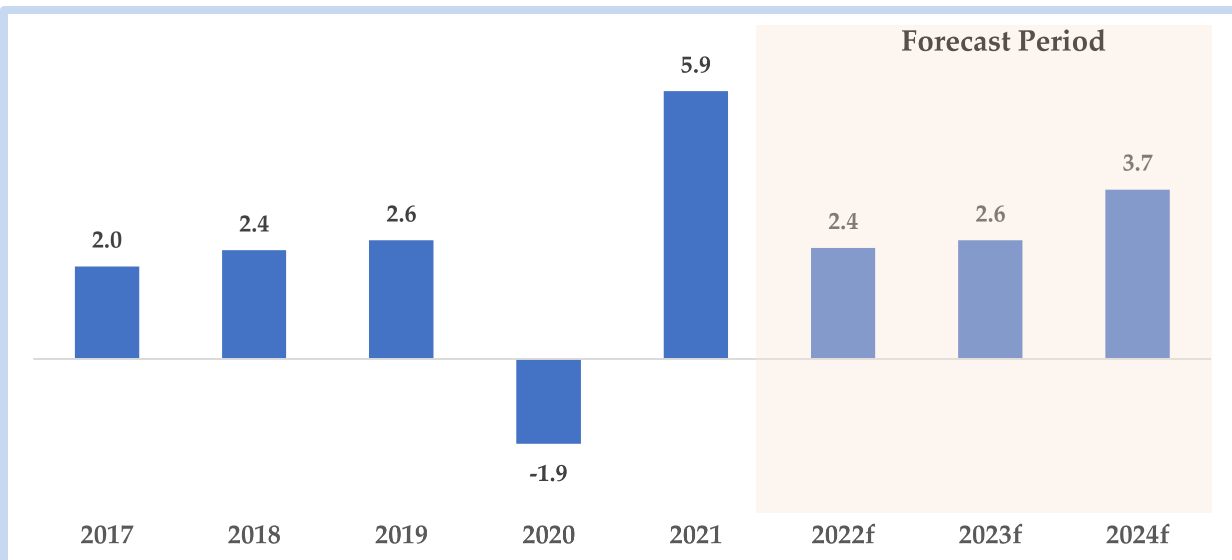
Source: MoF MTFF November 2018

Public debt: total public debt stock remained on an upward course in FY2021/22 and reflected a growth of 14.7 percent, with total public debt amounting to E29.984 billion and equivalent to 43 percent for the FY2021/22. External debt stock is 17.5 percent of GDP which is equivalent to E12.514 billon, while domestic debt stock held in terms of T-Bills, bonds, infrastructure bonds etc., amounts to 24.4 percent of GDP equivalent to E17.469 billion. In line with the FAP, debt is anticipated to stabilise within the medium-term (2022/23 – 2024/25) to about 38.0 percent of GDP.

1.2.2.4. Recent Domestic Economic Developments and Baseline Outlook

Overall economic growth: preliminary estimates depict that real domestic output rebounded by a growth of 5.9 percent in 2021, amounting to E44.490 billion (E72.598 billion in nominal prices), compared to a contraction of 1.9 percent in 2020, equivalent to E42.025 billion. The rebound in the domestic economy was supported by resurgence in the secondary and tertiary sectors, particularly manufacturing, construction, and information technology and communication activities. Affirming the above, observed data on quarterly real GDP trends reflected that 2021 economic activity is expected to have rebounded by 7.4 percent (sum of seasonally adjusted growth). The domestic economy rebounded in 2021, reflecting resilience in view of the experienced continued episodes of the COVID-19 induced constrains, erratic and extreme meteorological conditions in the form of Cyclone Eloise, supply-chain challenges, and socio-political unrests.

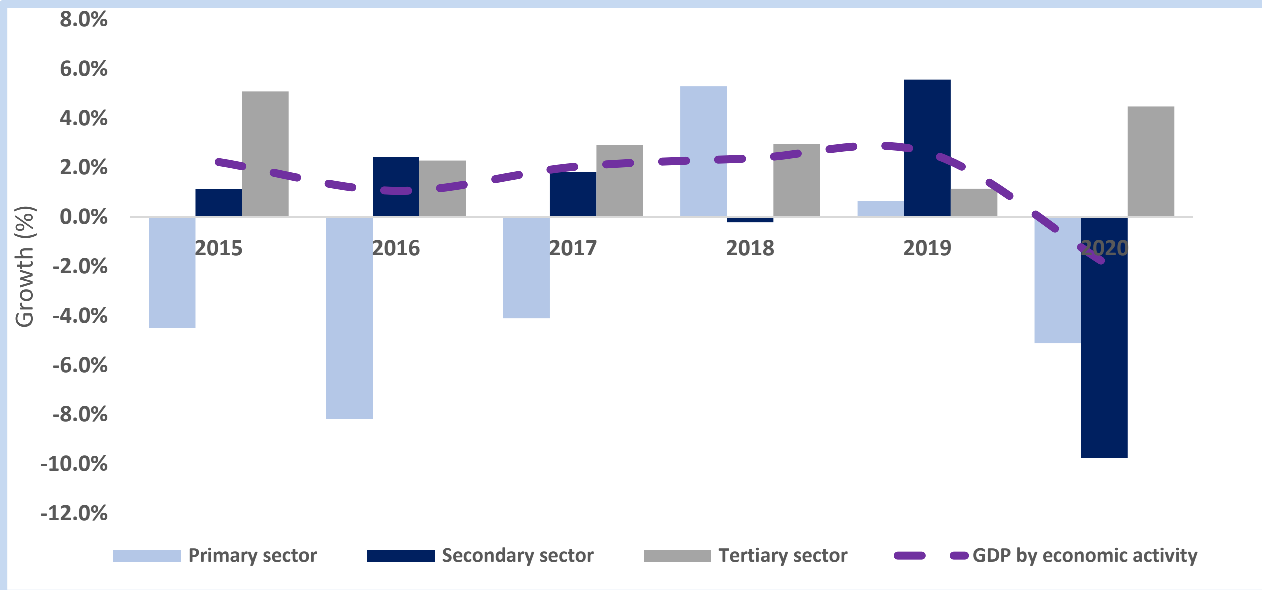
Figure 6: Overall Real GDP Growth (%) Estimates (2017 - 2020) & Forecasts (2021 - 2024



Source: CSO National Accounts & Macro-Forecasting Team (MEPD & CBE)

Fiscal consolidation impact: the public sector has had a significant impact on the economy's growth over the last decades, and the cashflow challenge has had negative consequences on overall economic growth. Thus, the effects of the fiscal adjustment plan on both recurrent and capital expenditures will have detrimental effects on short-term economic growth. Directly, the government is a significant player in the domestic economy and has links with construction activity, consumption of goods in wholesale and retail sector as well as accommodation and conferencing services in the tourism sector. These sectors are expected to be impacted by the 3-year fiscal adjustment plan. On the other hand, the continued accumulation of arrears by the government has had a negative impact on the economy, with businesses unable to pay their own suppliers and some even reportedly closing.

Figure 7: Real GDP Growth (%) Estimates by Sector



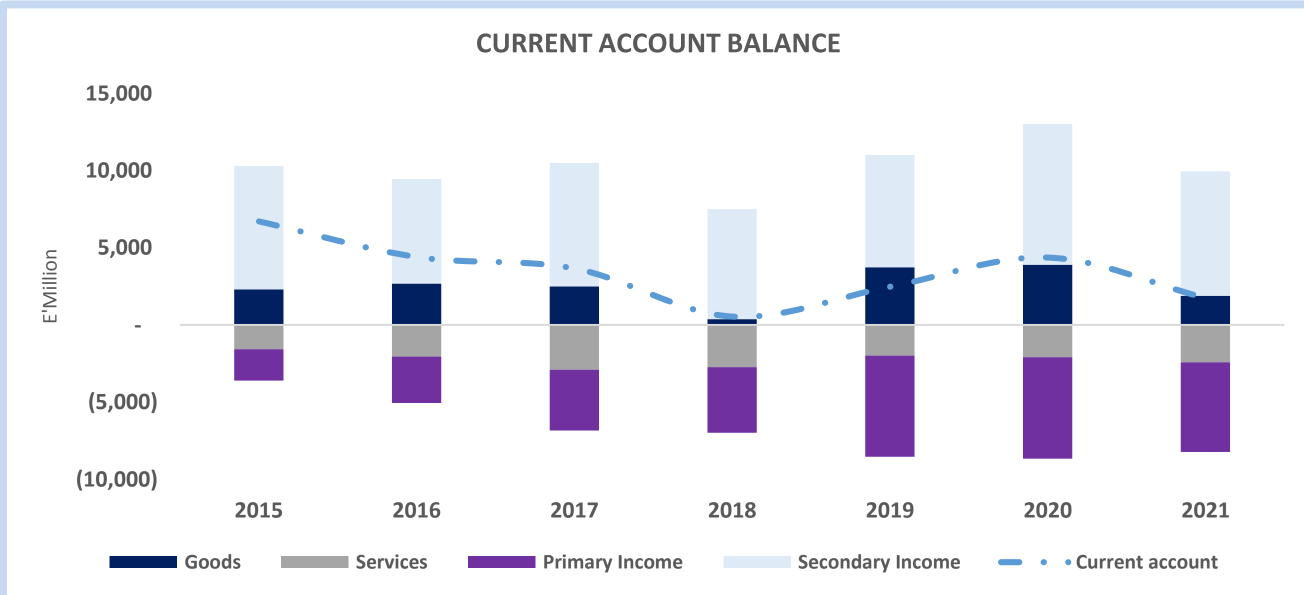
Source: CSO National Accounts & Macro-Forecasting Team (MEPD & CBE)

Concentrated product base and dependence on a single market: the manufacturing subsector continued to be export-oriented, with the RSA market being the largest consumer for Eswatini products. Although, there are other important markets such as the EU, USA and other Sub-Saharan countries, they remain under-utilised. As a result, the economic stagnation experienced by the RSA economy has had a negative effect of the manufacturing subsector. Additionally, the product base has remained concentrated with a few products dominating domestic production namely, miscellaneous edibles, sugar, textile, forestry as well as processed fruits.

Emerging challenges: the advent of COVID-19 pandemic, socio-political unrest as well as persistent erratic weather patterns have become a serial challenge to economic growth undoing all the previous gains achieved. The COVID-19 induced recession experienced in 2020 had detrimental effects on the manufacturing sector causing it to plummet by 9.8 percent in 2020. Moreover, erratic weather patterns have had a negative effect on agricultural production particularly the growing of crops subsector specifically sugarcane production. While, the unprecedented social unrest has rocked economic stability to the foundation and may have adverse effects on long-term investment prospects.

Balance of Payments: Eswatini's current account balance (CAB) has been on a surplus for the past five years, benefitting from trade surpluses as well as positive performance in the secondary income account. In 2021, Eswatini continued to record a positive CAB amounting to E1.750 billion, a decline from the E4.375 billion surplus recorded in 2020. The secondary income account, which includes transfers and remittances has been the largest component of the CAB, mainly benefitting from the allocation in the SACU receipts. In the current review period, it is estimated to have declined from E9.119 billion in 2020 to E8.074 billion in 2021, largely owing to a fall in SACU which has over time been the largest component.

Figure 8: Current Account Balance



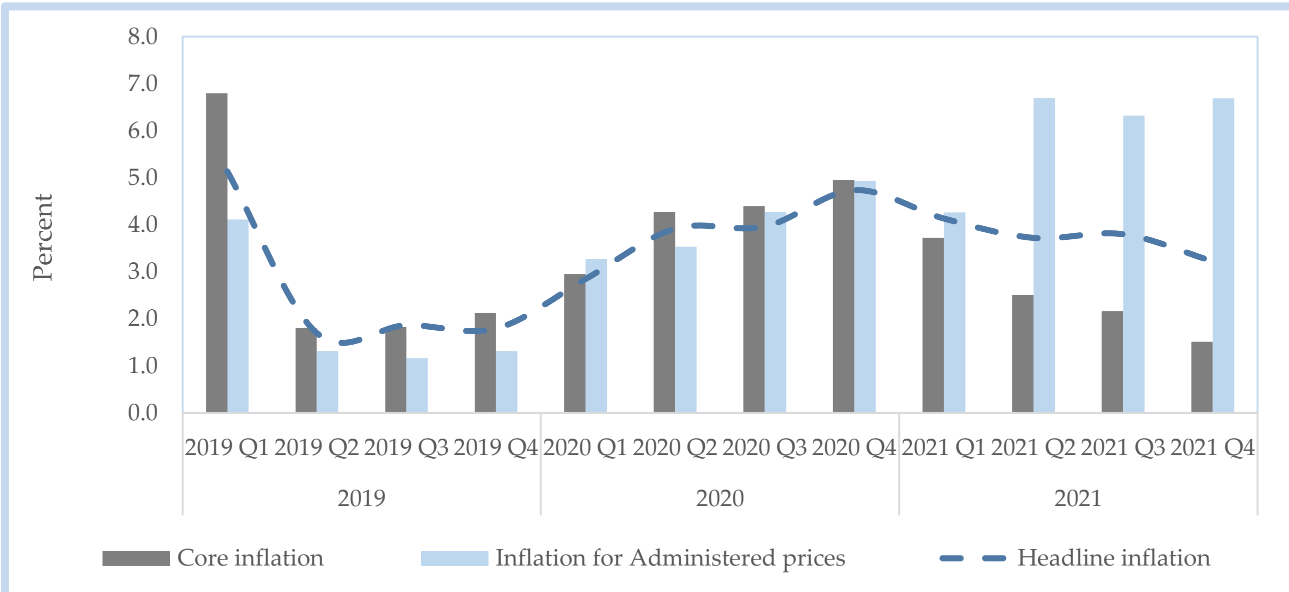
Source: Central Bank of Eswatini

However, there was a cushioning effect estimated with the rebounding of remittances as the global economic activity recovered, as they increased by 23.3 percent after having contracted in 2020. Inflows into the capital account, however, plummeted to a net deficit of E56.8 million compared to a surplus of E28.9 million in 2020, indicating an outflow of funds from the economy in 2021. This is substantiated by the decline in the financial account which fell by 11.7 percent to reach E1.809 billion in 2021, indicating an increase in the foreign ownership of domestic assets in the year under review.

Monetary developments: In 2021 headline inflation decreased marginally averaging 3.7 percent relative to 3.9 percent recorded in 2020. The drivers for this marginal decrease were the housing and utilities, transport, health as well as education categories. The decrease in inflation coincided with a freeze in rental charges for accommodation as a stance by Government to help the citizenry cope with depressed incomes. Conversely, food prices increased during the period mainly induced by the effects of COVID-19 and the Russia - Ukraine war***.*** At this level headline inflation was well within the Common Monetary Area (CMA) inflation target of 3-6 percent inflation.

Nevertheless, inflationary pressures are anticipated to be on the rise in the short to medium term. The Central Bank of Eswatini's (CBE) projects inflation to rise to 4.2 percent, 4.1 percent, and 4.2 percent in 2022, 2023 and 2024 respectively, emanating from the geopolitical tensions, i.e., the Russia-Ukraine war, and other developments. It is expected to be transmitted into the domestic economy through imported inflation (i.e., pass-through effects). The domestic economy imports commodities such as fuel and energy, food as well as farming inputs amongst others. In the short-term, commodity prices such as Brent oil, wheat, edible oils, farm inputs especially fertilizers have already reflected a significant increase, affirming mounting inflationary pressures. On the contrary, the exchange rate is expected to exert downward pressure on inflation in the short to medium-term. However, an upsurge in domestic administered prices continues to be a downside risk going forward.

Figure 9: Average Inflation by Categories (%)



Source: CSO Pricing Statistics

1.3. SPECIFIC SECTORAL DEVELOPMENTS

1.3.1. Good Governance, Economic Recovery and Fiscal Stability

1.3.1.1. Economic Growth

Key Achievements, Strengths and opportunities

Development of the Post-COVID-19 Recovery Plan to target the impact of COVID-19 on the economy by creating opportunities for income generation and wealth creation in key priority sectors of the economy. The plan was developed to resuscitate the economy and reignite economic growth through private sector-led projects, contributed towards the growth rebound of 5.9 percent in 2021 following the COVID-19 pandemic.

Key challenges, weaknesses, and threats

Weakening economic growth: Eswatini has been facing sluggish growth in the past 6-years with an average real GDP growth rate of 1.9 percent from 2016 to 2021 having decelerated from an average of 3.1 percent which was observed in the period 2010 to 2015. The economy has been exposed to numerous shocks both internal and external such as climatic shocks (droughts, tropical cyclone), changing global markets dynamics for the country's major exports, low FDI inflow, persistent fiscal challenges, the advent of the COVID-19 virus as well as the unprecedented socio-political riots.

Concentration effect: growth has been primarily driven by a few players as they have a significant foot-print in the domestic economy, rendering it not inclusive. Similarly, with the Eswatini economy being an open economy which is export oriented, the products base has remained rigid, with a few products dominating the product-base. Moreover, the country has heavy reliance on the RSA market as it absorbs on average 74 percent of the domestic imports and 69 percent of the country exports.

Low productivity constraints: mainstreaming the growth drivers for the Eswatini economy, the country has been experiencing diminishing productivity since the turn of the century. These dwindling productivity challenges have mainly emanated through declining capital accumulation as the country has been struggling to attract green field foreign direct investment (FDI). Another factor leading to the declining productivity has been the low technological absorption in the labour-intensive sectors such as agriculture and manufacturing subsectors as the country has excess labour supply.

Lack of a growth strategy: the country lacks a long-term growth strategy which will clearly map-out the growth path for the nation and address the structural constraints which inhibit its potential growth prospects.

1.3.1.2. Fiscal Management

Key achievements, strengths and opportunities

Government adopted the NDP and started using it for setting its development priorities and engaging stakeholders. Nonetheless, the strides made in the implementation of the recommendations and strategies proposed in the previous NDP (2019/20 – 2021/22) on fiscal consolidation, were disturbed , by the COVID-19 pandemic, political unrest and Cyclone Eloise, thus huge economic challenges still remain. Roll-out of some of these programmes have been executed at a slow-pace, thereby reducing the envisaged impact on public finance management, resulting in an urgent need to deliberately and internationally fast-track full implementation of these programmes for the anticipated rewards. However, the development of the FAP has been a great achievement to commence on the implementation of fiscal reforms.

Legislation: full implementation and enforcement of the PFM Act (2017) provides the legal framework necessary for establishing modern PFM practices. Some articles were adapted and under implementation e.g. macro-fiscal working group (MFWG), budget alignment to the NDP, establishment of a public procurement agency, development of a macroeconomic framework etc. However, some of the important remain not adapted or implemented such as the PFM regulations which are in draft, awaiting Parliament approval.

Treasury systems: a single treasury accounting system has been developed to provide real-time information on transactions, however, the system still needs to be benchmarked before it is operationalised.

The Eswatini Masterplan on infrastructure projects: which contains critical national infrastructural projects to boost economic recovery was developed to be presented during a donors' conference, which is still pending. Possibilities exist for attracting funding from other partners such as MCC Fund, GCF, GEF, and ACCF, concessional loans and grants but conditions will apply. Mobilisation of concessional funding and grants is backed by the Development Cooperation Policy which facilitates cooperation agreements with development partners.

Fiscal adjustment plan: implementation of the 3-year plan runs from the financial year 2021/22 to 2023/24 committing to an initial adjustment of 6.5 percent (revised to 4.2) of GDP curtailing expenditures and enhancing revenue measures. Expenditure reduction measures include cuts in the wage bill[8], goods and services, internal transfers and capital programme. Revenue enhancement measures include widening the VAT basket and increase in PAYE.

Budget support from IMF, World Bank and AfDB: the COVID-19 pandemic provided an opportunity for the government to access funding totaling about E4.43 billion as budget support to implement certain fiscal reforms. However, challenges in PFM management remains.

Arrears clearance strategy: budget support received assisted in the clearance of arrears dating as back as 2016 were reduced from E5.30 billion in March 2020 to E2.46 billion in 31 March 2022, as part of the arrear clearance strategy. However, as the cashflow problems persist, arrears have started to accumulate.

Closing of trading accounts: as part of the prudent fiscal management, trading accounts Central Transport Agency (CTA), Phalala Fund and the Central Medical Stores were closed and allocated specific budgets.

Debt transparency: as part of the FAP implementation, government committed to debt transparency and produces a quarterly debt bulletin.

Restructuring of state-owned enterprises: as part of the FAP implementation, a study on SoEs restructuring with the aim of merging, privatisation or collapsing some into departments has been concluded and likely to be implemented in 18 months from the time of study release.

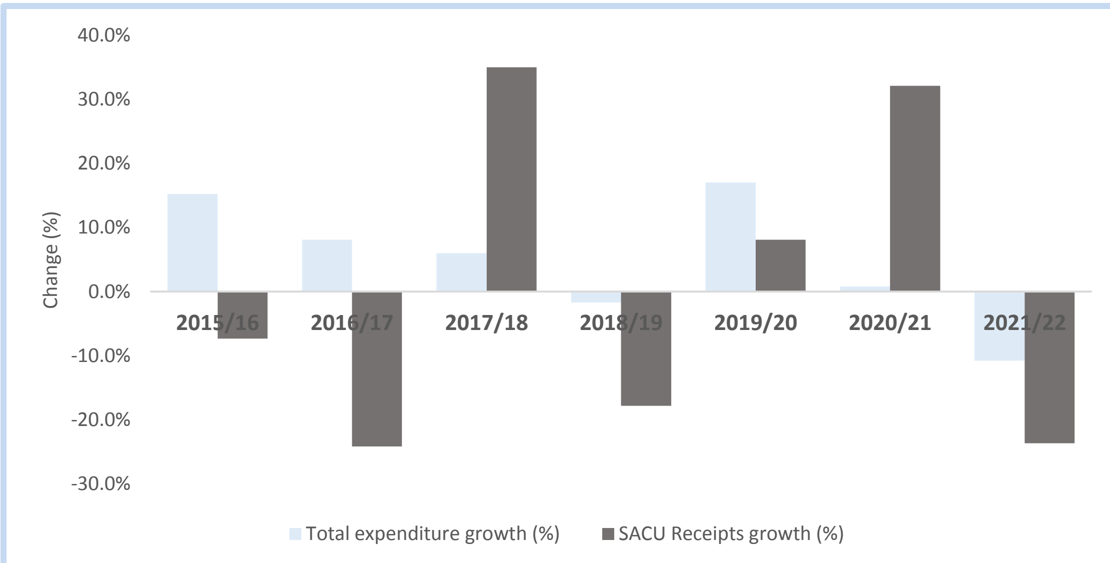
Fiscal Management Key Challenges

Persistent fiscal challenges: expenditure continues to grow much faster than revenues leading to critical cashflow challenges negatively affecting transfers to SoEs, payment to suppliers (arrears) and service delivery. Some agencies are even struggling with payment of salaries and may also be accumulating tax, pensions and goods and services arrears as they fail to pay suppliers. Wage bill continues to be of great

[8] through hiring freeze and abolishment of redundant post, as well as implementation of alternative service delivery for some services

concern currently at 46.4 percent of the total recurrent expenditure in FY2021/22 compared to the set target of 43 percent in the NDP and compared to other countries in the region.

Treasury systems: IFMIS funded by EU and aimed at modernising public finance management, bringing accountability and transparency was implemented partially. The system remains incomplete and further work to fully develop it is delayed, whereas system is critical to enhance public finance management by strengthening expenditure controls, and accounting and financial reporting functions within the Treasury and spending agencies.



Volatile SACU receipts: high dependency on SACU revenues and failure to adapt to the volatility causes budgeting difficulties. SACU receipts have been on a declining trail over time but expenditure growth has not been curbed. More reductions are expected in the future with the implementation of AfCFTA and proposed changes to the SACU revenue sharing formula. Government announced its decision to establish the Stabilisation Fund using the development component of the revenue formula.

Figure 10: Total government expenditures growth relative to SACU receipts growth (%) FY2015/16-2021/22

Source: MOF: MTFF March 2022

National planning and projects financing: the NDP guides medium-term development agenda and policy direction for the country implementable through the national budget. However, due to slow adoption of the NDP, misalignment with the budget is evident in terms of budget priorities and the national planning framework. Realigning these two critical instruments remains pivotal in order to attain mutual national priorities and strategies to achieve key development goals and objectives. Assessments of the public investment programme revealed budgeting discrepancies and quality concerns, in addition to the bias of the national budget towards recurrent expenditures resulting in capital investment budgeted as a residual.

Weakened PBC and budget coordination: national budgeting is done by PBC as combined central agencies, but over time got weakened and show signs of fragmentation. As the fiscal crisis deepens, the fragmentation has resulted in a poorly coordinated budget, deteriorating procurement processes, diminishing expenditure commitments and controls, as well as financial management.

Unbalanced/un-financeable budget: the implementation of the FAP has not yet borne any positive results. While the efforts towards controlling spending are starting to show, but the rate of expenditure increase is of great concern, and the quality of the budget and priorities is still problematic. The deficits are continuing and their financing is contributing to debt escalation. Total public debt stock increased from 24 percent during the FY2020/21 to 43 percent of GDP in the FY2022/23 due to the budget support and Parliament building loans. Expected to stabilise and decrease as the implementation of reforms progress and economy grows.

Public investment programme analysis**:** an assessment of the public investment programme exposed serious weaknesses ranging from lack of following procedures, poor analytical work done, political instructions, poor quality, changing in variations, costs not contained, idle structures and spreading too thinly. Furthermore, corruption is perceived to be high accompanied by gross mismanagement of resources through project delays and change in scope. Only foreign financed projects have been subjected to rigorous cost-benefit analyses and funded based on viability.

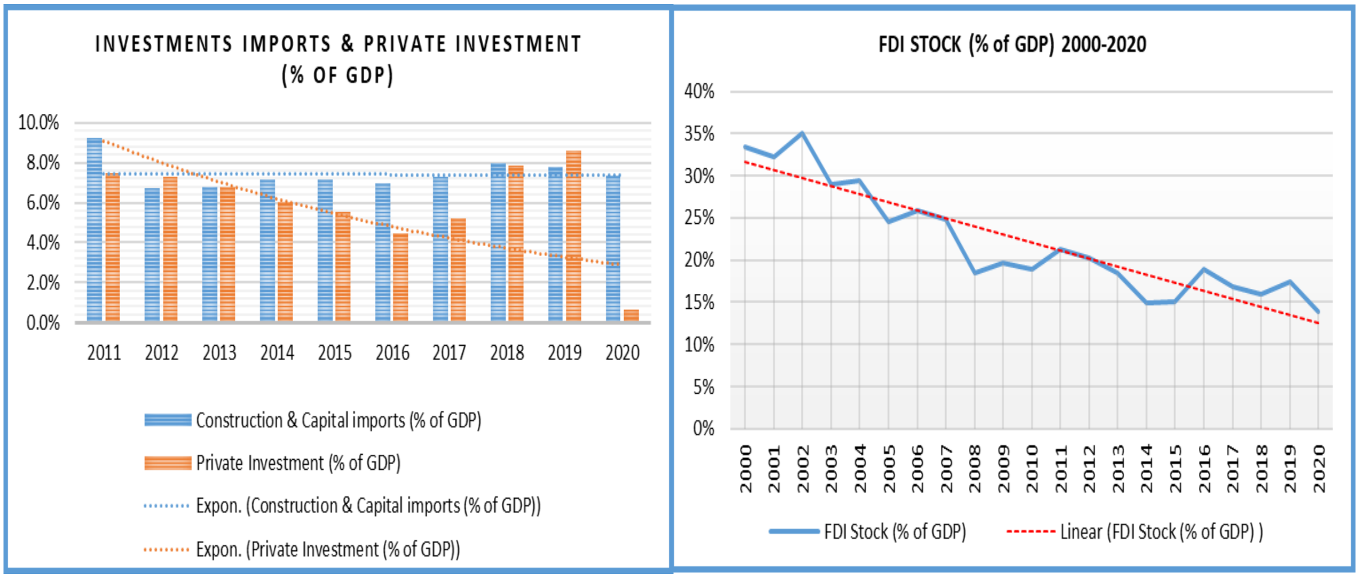
Debt management: Eswatini's public debt continued on an unrestrained path, as debt levels has reached 43 percent of GDP[9]. Although, this level is below the regional threshold of 60 percent of GDP, however, the rate of debt accumulation has been very fast, therefore increasing the costs of debt servicing and increasing risk of defaulting. Moreover, the continued uptake of domestic debt is crowding out private sector as government out-competes the private sector for financing.

MIC status in contrast with social indicators and access to concessional loans: the country's classifications as a low-middle income country bars access to concessional loans and funding. Moreover, public services and social indicators are deteriorating, and funding is needed to carry out operations.

[9] 31 March 2022

1.3.2. Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth

Figure 11: Private Investment 2011 -2020



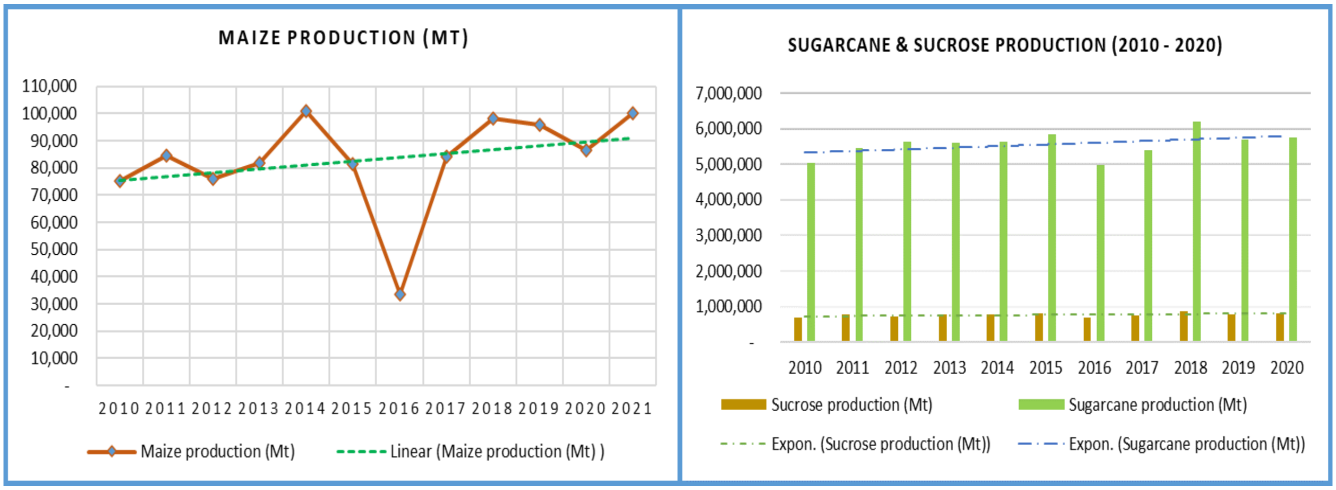
Source: ERS trade data, CSO national accounts and CBE balance of payment

Key Achievements, Strengths and opportunities

Sugar cane production: the area under sugar cane production decreased slightly from 60,423ha in 2020 to 60,404ha in 2021 showing a slight decline in cane production of about 8.5 percent (from 5,759,016 m.t. to 5,266,602 m.t.) attributed to environmental factors such as climate change. However, Eswatini is still ranked in the top ten of global producers of sugar in the world. The sugar sector directly employs about 16,000 people and 80,000 indirectly. Sugar is still the main agricultural export earner.

Horticulture production: the renovation of existing infrastructure and establishment of new tunnels at ESWADE and NAMBoard aimed at improving high value crops contributed to an improvement in local production of fruits and vegetables. Pack-houses and cold storage facilities were strategically constructed in the four regions of the country to support farmer investment and contribute greatly in import substitution of fruits and vegetables. Farmer companies have been supported through ESWADE linking them to markets and consistently mentored to ensure proper quality is produced to realise more returns. Farmers are encouraged to produce high value export commodities to service the export market.

Figure 11: Sugar (Sucrose) and Maize Production 2010 -2020



Source: ESA, MoA

Irrigation and land development: Government has supported farmers by facilitating the funding and development of irrigation schemes through the installation of climate smart irrigation systems (drip irrigation), so that they have access to irrigation water for increased production. Government has also invested significantly in irrigation in the form of scoop dams, weirs and canals, small earth dams as well as large dams for agricultural irrigation smallholder schemes. LUSIP I and II, and Mkhondvo – Ngwavuma projects are enhancing the irrigation coverage in Eswatini and converting the country's drought prone areas under production.

Livestock production: the beef, goat, pork and poultry industries are showing positive trends. The feedlot production model is making significant impact on production and being adopted fast by farmers. Over 253 hectares of land has been planted with green pasture to supplement animal feeding and provide a nutritious diet for the animals. In an effort to increase production and meet market demand, goat producers have successfully been linked to markets and pig production is increasing after superior breeds were introduced for breeding purposes. Currently, the country is self-sufficient in the production of broilers and eggs.

New trade and market opportunities: new markets have been secured through new agreements signed with AfCFTA, the United Kingdom (Economic Partnership Agreement), EU-SADC Economic Partnership Agreement and Taiwan (Economic Cooperation Agreement) which provides for duty free, quota free access. The agreements are complemented by the agro-value chain study done by the SADC Trade Related Facility (TRF) identifying products for these markets.

Reconstruction fund: E500 million was mobilised by government within its budget and from development partners to compensate business owners including MSMEs for the destruction suffered during the political unrest in 2021. About E100 million had been disbursed as at May 2022. The Fund supports re-building of the business sector.

Trade facilitation: the trading hours at two of the main borders are open for 24 hours to improve trading and ease of doing business.

Key challenges, weaknesses, and threats

Inflation: high food inflation has reduced access to food for many families especially because they are dependent on purchases to meet their food requirements. The inflation is further exacerbated by the Russia - Ukraine war which is pushing food prices up causing risks of hunger especially for the poor, in addition to drought effects and reliance on imported food. Increasing production costs, particularly agricultural inputs, electricity and water, are reducing margins and pushing out small producers.

Macroeconomic environment: the weak macroeconomic conditions were aggravated by the COVID-19 pandemic, political unrest and Cyclone Eloise which affected the fiscal situation as businesses were closed and very little revenues were collected. According the company survey (2021) challenges faced by companies ranged from lockdowns causing supply-chains disruptions, loss of income, loss of jobs and government inefficiencies due to cashflow challenges and lack of digitalisation. Companies view the poor macroeconomic environment and fiscal instability as two of the key impediments to growth, as well as the major deterrents to investing that foreign investors cite. They also cited the aggressive tax collection methods by ERS (tax agency) as a deterrent.

Government cash flow challenges*:* the current fiscal situation characterised by the rapid accumulation of arrears which are caused by late payments, has greatly affected private sector development and accumulating of arrears is greatly heightening the risks to the private sector. Large numbers of smaller businesses in particular are reportedly closing down.

Utilities cost and reliability: utilities are reportedly costly and less reliable than regional average costs. The Communications Regulatory Association of Southern Africa (CRASA) ranks the Kingdom of Eswatini as 7 out of 13 SADC member states in terms of data charges. The Eswatini Communication Commission Report (ESCCOM, 2021) indicates that there is a three-year glide path to reduce data charges in place for the next three years starting in 2022. Electricity outages are still frequent and electricity price inflation has been accelerating every year. The Eswatini Water Services Corporation had been granted a 13.7 percent average increase on water and sewage charges for three years since 2018.

Regulatory Issues: the regulatory framework is reported as one of the major challenges by companies across all industries, with regulations being reported to be either too weak, inappropriate or more often, too excessive, untimely and costly.

Bureaucratic processes: bureaucracy in the application, approval, tendering and payment procedures for the leasing of government farms has become a hindrance for the full implementation of the Value Addition and Agro-processing Strategy. Application procedures are vague and discouraging interested investors away from large scale production and stifling agricultural development.

Silo mentality, lack of coordination and harmonisation of policies and programmes at national level: different MDAs in the same sector have similar mandates and responsibilities backed by policies which when implemented, unfortunately results in duplication, information asymmetry, conflicts and overlaps. MDAs are encouraged to work together to harmonise policies and their operations to eliminate poor decision making and policy development. Improved coordination will strengthen progress and development of the sector.

Emerging challenges: during the previous NDP there has been emergence of some challenges such as climatic shocks (cyclone Eloise) and COVID – 19 which hindered the process in implementing the planned strategies under private sector development.

COVID – 19: posed serious challenges for the Eswatini economy in the form of lockdown measures, social distancing and travel restrictions that stifled economic activity. In a bid to curtail the spread of the virus government implemented restrictive measures that affected normal operations by industries. Sectors, which were deemed non-essential were suspended from operating, and social distancing measures caused companies to work at a minimum capacity. This resulted in massive lay-offs and retrenchments as companies attempted to cope with the situation. Furthermore, travel restrictions affected the demand for certain goods and services and supply of raw materials for industries.

Climatic shocks: in the form of erratic weather patterns such as excessive rains affected the supply of raw materials for industries as well as domestic production for agricultural produce. Excessive rains affected road infrastructure, caused flooding in buildings and caused damage to crops which were ready for the market.

Political unrest: the unprecedented political unrest (2021) which resulted in destruction of property, loss of stock and inventory for some business became a serial challenge pushing some businesses to closure and bankruptcy.

Productivity constraints: limited production in some of the country's export products has caused the country to be unable to fully meet its export quota on some products. Moreover, high transaction cost for exporting products erodes the profit margins for producers thus rendering some markets not viable for our products and reducing competitiveness for locally produced products.

Mining Legislation: legislation in the mineral sector has been a hindrance in terms of attracting investment due to share ownership structure.

1.3.3. Enhanced Social and Human Capital Development

1.3.3.1. Health Sector

Key Achievements, Strengths and opportunities

Some great achievements were made despite the health system being heavily challenged and its funding needs to be prioritised. Overall, strengthening the health system through investments in skills, technology, equipment and applying evidence-based policy decisions are key to achieving better quality healthcare. Improved health care remains as the core priority for the Government, with focus on access to quality health and health related services, addressing the rise in NCDs, access to safe water and preventing any regression on HIV/AIDS, malaria and TB.

Response to COVID-19: health infrastructure was expanded through the construction of new clinics at Luve, Tikhuba, Hlane, Mangwanyane, and Nkamanzi. Manzini hospital was rehabilitated and re-purposed to create room for COVID-19 cases whilst Lubombo referral hospital was refurbished and completed as the prime facilities for treating COVID-19 infected patients. Mavuso Trade Centre was temporarily converted to be a facility for treatment. The sector performed well during COVID-19 challenge, received assistance from development partners and financial backing from government to contain infections and offer treatment. Furthermore, a section of the Mbabane Government Hospital was rehabilitated to ease the disease burden and 692 temporal posts were created simultaneously with procurement of additional new equipment and medical supplies. Only 71,705 accumulated COVID-19 cases and 1,403 related deaths as of April, 2022. Fully vaccinated population is 346,948 people equivalent to 29.9 percent of total population as at March, 2022.

Promote access to and uptake of integrated SRH and HIV services amongst the youth: SRH services were available to young age groups who are already identified to be sexually active. Training for health care workers and peer educators were conducted, teen clubs established to work with adolescents creating awareness on the SRH services and menstrual hygiene guidelines. A lot of progress was achieved pertaining to HIV/AIDS with new infections estimated to have declined from 1.36 percent in 2017 to 0.85 percent in 2019.

Innovative, efficient and effective procurement and distribution: procurement of medical supplies was improved bringing efficiencies through the decentralisation of the Central Medical Stores (CMS). Regional pharmaceutical warehouses were constructed, the logistics management information system established and regional delivery trucks (box trucks) procured.

Improve the integrated disease surveillance and response: the planning period under review saw the development of the health policy and national health sector strategic plan together with a monitoring and evaluation framework. Furthermore, an introduction of the Integrated Disease Surveillance and Response and International Health Regulations (IDSR/IHR) framework in the context of one health approach was also developed. The overall goal for the IDSR is to efficiently integrate multiple categorical surveillance, laboratory and other data with public health action.

Key challenges, weaknesses, and threats

Despite the significant achievements made in the midst of a health crisis by the sector, there exist some challenges that were experienced and repressed the achievement of other planned programmes and interventions within the sector. The sector has financial, human resources and structural weaknesses that need attention urgently to avoid further deterioration of services.

Health financing: the sector is significantly funded by donors and inadequately funded by government. The sector receives on average about 10 percent of total expenditure, a majority of health-related programmes are heavily reliant on donor funding especially in the areas of HIV/AIDS, Malaria, TB and non-communicable diseases and the support for a majority of these programmes is coming to an end. Considering the fiscal crisis faced by the government, the sustainability of these programmes is uncertain thus increasing the risk of reversing the gains made in the past.

Inadequate human resources: needs investment in a cross-section of skills for the attainment and sustainability of epidemic control. Some cadres are entirely donor funded. The fiscal constraints have placed pressure as vacant posts have remained frozen. Staff recruited during COVID-19 has been released. Quality of services impacted presenting vulnerabilities on the sustainability of services.

Emergencies and disasters**:** a number of unexpected emergencies occurred impacting on the provision of health services. Corona virus called for the redirection of facilities, human resources and medical supplies to fight infections and save lives whilst crowding out other health services. Led to the neglect of other diseases and caused a regression or backlog in attendance. A rise has been observed in NCDs and a backlog in the immunisation of children.

Increased burden of non-communicable diseases: cancer, diabetes, and hypertension for all age groups are on the increase and even affecting children. Largely driven by poor nutrition and hunger as an estimated 70 percent of children go hungry, 26 percent of under-fives are stunted and suspected to be increasing. Resultantly, disease burden increase amidst constraints on financial and human resources.

The non-maintenance of the health structures and equipment: a number of government owned facilities require an urgent attention in terms of: rehabilitation, staffing, skills, new equipment and technology. Among these are the key referral hospitals such as Mbabane Government Hospital and Pigg’s Peak Hospital.

1.3.3.2. Education And Training Sector

Key Achievements, Strengths and opportunities

The education sector is crucial for overall socio-economic development of the country, and receives assistance from development partners to address some of the gaps in the sector. It had mixed performance, making progress in achieving some of the goals set in the previous NDP but heavily challenged during COVID-19 period. It strived for investing in human capital development with focus on improving access to quality, relevant and inclusive education, as well as lifelong learning opportunities.

Improving the education system to develop current and future skills: a mapping study for the ECCDE programme was carried out leading to the development of a curriculum framework and pre-service training programme for ECDE teachers and is in place in two teacher training colleges. A total of 1,420 ECCDE centres are operational and evenly distributed throughout the country. The introduction of Free Primary Education has made improvements in access, participation and retention at primary level and positive indications at secondary level. As a result, the country is closer to achieving the universal access to primary education.

In addition, life skills education (LSE) was mainstreamed into the primary school curriculum and it is under implementation currently in grade 3. LSE is implemented as a stand-alone subject at secondary school level allocated a period per week, and piloted in three tertiary institutions i.e. SANU, Eswatini College of Technology and Ngwane Teacher Training College. ICT was formally introduced as a subject in primary schools, and supported by the Advanced School of IT. Programmes in software development, hardware management and networking are offered to ensure increased supply of graduates with digital skills in line with the skills audit conducted by UNICEF. An ESPDG grant from the GPE was secured to support the development of an Education Sector Strategic Plan and a multi-year action plan. MoET is involved in intensive resource mobilisation drive engaging development partners so that it can accelerate implementation of education programmes.

Strengthening of the education in emergencies programme: the main thrust of this programme is that *education should not wait* or stop during emergencies. Triggered by the emergence of COVID-19 pandemic, new plans were quickly developed to continue with implementation of education services. Human resources were strengthened through training of guidance and counselling officers as main responders at school level, distance learning was introduced and ICT services used where possible, with lessons delivered using radio, TV and other media. Government received support from development partners as the level of the emergency continued to escalate. Based on lessons learnt from the pandemic, the Learning Management System (LMS) being developed will run in parallel with the mainstream face to face programmes, to avoid learning disruptions in cases of emergencies. The LMS will be activated as a mainstream teaching method during unexpected school closures in order to ensure quality teaching and learning is continued.

Pilot access rollout of internet: less than 5 percent of primary schools and at least 50 percent of secondary schools had internet connectivity in both peri-urban and rural areas. An additional 160 schools were provided with internet access under the pilot scheme with support from Wonderport. The expansion of access to ICT facilities in schools is a major progressive intervention recommended by the 2010-2022 ESSP to improve on outcomes in the education sector.

Increase in technical vocational education and training opportunities. Plans are being developed to expand access to TVET and a policy is in place and is used to guide the coordination and execution of plans for the development of the sub-sector. Currently, two TVET colleges have introduced upskilling training for working candidates to upgrade their skills, and acquire certification in an effort to recognise prior learning whilst investing in lifelong learning and perpetual skills.

Construction of inclusive schools: four inclusive schools were built with assistance of the Japanese government to mainstream disability and cater for children with disability and learning needs. Mainstreaming disability has been prioritised in the 2021 Education Sector Analysis. This provides an evidence-based foundation for the development of the forthcoming Education Sector Plan 2022-2034, which calls for inclusive growth for all children, including the most disadvantaged.

Key challenges, weaknesses, and threats

Access to education: Eswatini is ranked the lowest in the region with access to ECDE estimated at 28 percent[10], as the majority of learners are ill-prepared for grade 1 and most at risk of being drop-outs. Despite great achievements in improving access to primary and secondary education, retention still remains a huge challenge. About 17 percent of children between the ages 15-19 are out of school (OOSC, 2015). The most vulnerable are children from poor households in the rural areas and are highly unlikely to complete school, as compared to children from the richest 20 percent of households in urban areas. High cost of education remains the driving force contributing to the poor access for these children. Very low levels of access to PSET and TVET in particular is worsened by the skills mismatch as graduates cannot meet market requirements. It is a great concern given the large numbers of learners who drop out of the system and could have been absorbed by the TVET. Furthermore, learners with special needs face limited access to education at all levels. Studies indicate a higher repetition rate amongst children with disabilities especially at lower grades.

Quality education: quality education has been identified by the Education Sector Analysis (2021) as one of the major challenges in the education sector. This results from inadequate teacher management and development system, poor measurement of student learning and performance, as well as inequitable resource allocation within the sector. Furthermore, data for evidence-based planning is inadequate. For instance, the TVET sub sector has inadequate data on quality and relevance of training qualifications of instructors and enrolments for both public and private institutions.

Financing: whilst spending on education is higher than the average for lower-middle-income countries, it is still less than the SACU average and the 21 percent of total expenditure recommended by UNESCO (ESA, 2021). Total public spending on education declined in real terms from 7 percent to 5.5 percent of GDP in 2016/17 to 2020/21[11] . Expenditure allocation is also inequitable within the sector as an average 75 percent of the recurrent budget catering for personnel costs. Development investment budget accounts for an average of 4 percent of the total budget for education, and is on a decline. This has negative ramifications for infrastructure provision in schools especially in fields such as STEM***.***

COVID-19 impacts: comprehensive studies on the impact of COVID-19 pandemic in the education sector are yet to be conducted with data needs also not determined yet. However, anecdotal evidence and observations point to adverse consequences on human capital development and most probably future livelihoods of affected children, caused by the huge disruptions in learning. The adverse results will show up through loss of learning, increased school drop outs especially on girls and adolescents. Government has to significantly raise its spending on education.

Online learning: most government schools including universities and colleges do not have adequate equipment, relevant teaching tools, and adequate capacity to teach online. On the other hand, private

[10] UNICEF MICS multiple years, General Household Survey 2018 for South Africa

[11] Budget Estimate books

schools were able to quickly adjust. This resulted in gaps in learning thus compromising quality of learning and leaving large numbers of learners out of the education system.

Disruptions to teaching and learning: other disruptions to teaching and learning during the past two years resulted from the political unrest which instigated arson attacks on schools' infrastructure mainly laboratories and administration blocks. Re-opening of schools was disrupted and infrastructure destroyed with lack of resources to restore the infrastructure, furniture and equipment. Schools were forced to close. Accused learners were persecuted and some fled the country.

1.3.3.3. Poverty, Social Protection, Safety Nets and Social Security

According to official statistics, there has been considerable reduction in national poverty rate from 69.0 percent in 2001 to 63.0 percent in 2010 and 58.9 percent in 2017 as a result of a faster reduction of poverty in urban areas. Urban poverty fell from 31.1 percent in 2010 to 19.6 percent in 2017 whereas rural poverty fell by 3 percent to 70.1 percent. However, poverty and inequality is high for its middle-income status. Inequality is high with Gini index of 49.3 in 2017, down from 51.5 in 2010. Several studies have been undertaken and reveal that economic growth is key for reducing poverty while inequality slows it, thus improvements in educational and labour market outcomes as well as social protection contributes directly to reducing poverty and inequalities. Poverty is a rural[12] phenomenon - rural residents, female-headed households, single-headed households, children, large families, the less educated, and the unemployed are the most prone to being poor.

Out of the total population of about 1.1 million people, 41.1 percent are considered not poor, 39.7 percent are moderately poor, and 20.1 percent are extremely poor. In 2017, UNICEF collaborated with government to conduct a child poverty assessment with the purpose of providing empirical evidence on child poverty to inform government efforts in fighting against poverty, particularly among children. The study revealed that 56.5 percent of children (0-17 years) are multi-dimensionally poor; they are deprived in 4 or more dimensions of well-being[13]. 65.3 percent of such children are found in the rural areas compared to 22.8 percent in urban areas. In addition, WFP conducted a study on hunger, and it indicated that 70 percent of these children live in poverty, which is much higher than 58.9 percent overall national poverty rate. The social protection programmes were introduced to support the most vulnerable children but they do not adequately and efficiently reach them. CSO data indicates that 28 percent of the beneficiaries reached by the programme in 2015/16 were not poor, 49 percent were moderately poor and 23 percent were extremely poor. Of the 568,656 children aged under 18 years, 60 percent are classified as poor with 71 percent as OVC. 66 percent of the children are in extremely poor and labour – constrained households. The OVC education grant reached only 26 percent of eligible children. Consequently, the efforts have not benefitted target groups and child poverty remains at alarming levels. Table 6 shows the programmes for social protection.

[12] Poverty is largely rural, in part because progress towards poverty reduction continues to be tied to the performance of the agricultural sector which is highly vulnerable to adverse weather conditions

[13] This implies that people classified as living below the food poverty line are not able to meet their food energy requirements. Typically, they are able to afford only one meal per day; may mostly suffer from chronic hunger and under-nutrition as they struggle to meet any of their basic needs.

Table 6: Main Social Assistance Programmes in Eswatini (2021/22)

Name of Programme	Type	Target group	Transfer volume per month	Number of beneficiaries	Annual costs	Implementor	Source of funds
Old Age Grant	Universal	People 60+	E500 per month paid quarterly	75,481	E466m	DPMO-DSW	Government
Disability Grant	Means tested	Poor disabled people	E280 per month	9,654	E28m	DPMO-DSW	Government
OVC cash grant (pilot project)	Means tested	Poor OVC in selected areas of 4 Tinkhundla	E100/200/300 per month depending on age of child	13,506	E33m	DPMO-DSW	Programme was EU and World Bank funded until Sept. 2018
OVC education grant paid to 273 schools	Means tested	Poor OVC in secondary and high schools	E1,950 per year	60,373	E170m	DPMO-DSW	Government

Source: The DPMO 2022, UNICEF 2022

Poverty is more pronounced in rural areas, where more than 70 percent of the country's population resides, depending mostly on subsistence agriculture. 20 percent of the country's population lives in extreme poverty, with children and adolescents constituting 59 percent of people living in extremely poor households. Multidimensional child deprivation is alarmingly high, with 56.5 percent of children deprived in four or more dimensions of well-being. Budget allocation for social protection is estimated at 2 - 3 percent of GDP and programmes remains well below levels required to effectively reduce poverty.

By region, Shiselweni has the largest proportion of multi-dimensionally poor children (70.9 percent) followed by Lubombo (67.5 percent) and Hhohho (55.2 percent). Gender inequality is evident in various dimensions, including in the higher unemployment levels of young women (50 percent) compared to that of young men (44 percent) and in the starkly higher prevalence of HIV in female youths 20 to 24 years of age (20.9 percent) compared to males of the same age group (4.2 percent). During the coronavirus 2019 (COVID-19), 44 percent of rural households were using crisis-based coping strategies, such as reducing spending on health and education to meet their food needs, resulting in increased child poverty.

Key Achievements, Strengths and opportunities

Overall, there have been strategies, policies, programmes and projects directed at reducing poverty over the past two decades. The PRSAP, establishment of the Children's Unit, Social Welfare department, NDMA, Microprojects Unit, RDF, Youth Fund and the Decentralisation programme were all aimed at reducing poverty and inequalities. Consequently, a decline in the proportion of people living below the poverty line was realised and the poverty rate at national level fell from 63 percent in 2010 to 58.9 percent in 2017. But analysis on the efficiency of the system indicates far less gains to the target groups thus posing a big challenge on the accountability and transparency.

Broad and fully funded social protection system: it is a non-contributory social assistance programme, basic and funded by the government, with two major components – for old age (60+ years) and a public assistance grant for educational (OVC, FPE scholarship), and disabled persons. Considered as social protection programme to mitigate the impacts of HIV/AIDS on older persons and also as a response to the problems of poverty and food insecurity in the country, administered by the Department of Social Welfare (under DPMO). Backed by the National Social Development Policy (2010) which spells out government's intention to meet minimum standards of well-being and livelihood as part of recommendations of the PRSAP (2006). However, it faces many challenges.

National civil registration mopping exercise: an initiative to get those not registered to get birth certificates, IDs and marriage certificates. The exercise themed "Be wise, register, appear and secure a bright future" was rolled out in 300 chiefdoms. Gives an opportunity to register orphans and other vulnerable children to get IDs and be eligible to get social assistance and other public services they were previously denied because they have no identity cards.

The elderly and disability grants: the monthly allowance for the disability grant was revised from E180 to E280 from January 2020. It is estimated that 64 percent of persons with disability are excluded. Elderly grants benefit about 5 percent of the population and the number of beneficiaries rose from 49,000 in 2006/07 to an estimated 55,000 in 2021. The allowance was increased from E400 to E500 in 2020 to cushion older persons from the hardships and suffering caused by food insecurity, COVID-19 pandemic and unemployment; and paid electronically with assistance of MTN.

OVC Education grant to support access to learning: in addition, there is also the OVC educational grant, which is meant to facilitate the enrolment of orphaned and vulnerable children in secondary and high schools. Unfortunately, the OVC educational grant does not cater for related costs involved in going to school, including living costs, cost of books, stationery and uniforms as well as transport. According to official data, about 26 percent of orphaned and vulnerable children living in extremely poor households benefit from the educational grant and the rest is children who do not deserve. Government has delayed effecting reforms and it is coming at a huge cost to reducing poverty and inequalities.

Shelter for elderly who have no support: Government has built an old people's home in Mankayane and the only government residential care home for elderly in addition to Dvokolwako Old Age Home under Philani Maswati. This is in response to the increasing number of neglected elderly persons who live alone sometimes in dilapidated structures and in poverty, but is facing many challenges which include targeting the eligible beneficiaries.

Strong collaboration between government, development partners and civil society: several strides were made through increased collaboration and engagements with stakeholders. Development partners, individuals, private sector and civil society provided assistance in the areas of humanitarian assistance, medical supplies, GBV, health, HIV and AIDS, education, food security and nutrition, ICT, WASH and other COVID-19 related interventions.

Emergencies and disaster responsiveness: is the responsibility of NDMA who has been mandated by government to handle emergencies and disasters and responded swiftly during Cyclone Eloise and

COVID-19 pandemic. In terms of the COVID-19 Regulations 2020, it coordinated and provided relief assistance to the most vulnerable, paid cash transfers to 13,659 households in 14 constituencies in the country. In addition, NDMA disbursed grants of E700 to the poor and vulnerable to buy food and other basic necessities. About 300,000 individuals benefitted from the food parcels.

Development of sectoral policies and strategies: the National Social Security Policy (2020) was developed and approved by Cabinet. Studies are being conducted as preparatory stage for its implementation which will be gradual. Moreover, the sector conducted a social security enquiry which provides a comprehensive analysis of the coverage and financing gaps of the social protection system as a basis for building or improving the social protection floor in the country. Lastly, an assessment of public employment services and active labour market policies in the context of the proposed Unemployment Benefit Scheme in Eswatini was conducted.

***Participatory poverty assessment*:** this study was carried out in 2019 with funding secured from the South-South Cooperation, to get people's perception at grassroots level, on the causes of poverty and recommendations about interventions to reduce poverty and inequality. This was necessitated by the need for defining poverty and characteristics of poverty from their perspective.

Key challenges, weaknesses, and threats

High poverty rates among children: mostly found among the 58.9 percent of the population living below the poverty line, and mainly in rural areas as more than 90 percent live there and poverty is a predominantly rural issue. Children and adolescents constituting 59 percent of people living in extremely poor households and 56.5 percent of children are multi-dimensionally poor. Multidimensional child deprivation is alarmingly high, deprived in four or more dimensions of well-being. The situation is exacerbated by high unemployment, COVID-19 pandemic, teenage pregnancies and deteriorating social sector with poor health and education outcomes.

Inadequate budgetary allocation and poor targeting of beneficiaries: at about 2 - 3 percent of GDP is the budget allocation for social protection programmes and appears to be well below levels required to effectively reduce poverty. However, some analysis indicates that if the ineligible beneficiaries are removed, the allocation can adequately meet the numbers of eligible people and possibly be increased to meet the requirements. Government should not delay reforms on the social protection programme.

Absence of social safety net for unemployed: A key weakness of the social protection system is the absence of social safety nets for the unemployed and yet this is one of the contributory factors to the high levels of poverty in the country. Eswatini does not have a universal social insurance scheme, thereby exposing the majority of the country's labour force to vulnerability. The National Social Security Policy (NSSP) and implementation plan was approved in 2020 and is intended to establish the Workmen's Compensation and Insurance Fund (WCIF), the Eswatini National Pension Fund (ENPF) and the National Health Insurance Fund.

Deepening poverty as economy struggles: given the high levels and depth of poverty in the country fueled by lack of employment opportunities (especially for the youth), food insecurity, and inflationary pressures resulting in escalating prices of basic commodities. The social protection system is inadequate even to cater for the basic needs of the elderly let alone the increasing responsibility to look after their grandchildren who are OVCs or borne by teenagers. In some cases, the grants are the only source of income for many households with older persons.

Targeting for OVCs: even though OVC education grant is targeting secondary school going children, there is little impact on access to secondary education due to poor screening and targeting as well as discrepancies in fees charged by schools at this level. OVC education grant amount is not enough to meet the financial needs of those already benefiting. Grant does not cover top-up fees charged by schools; costs for transport to and from school or uniforms; or any other needs. Combining the grants into one comprehensive grant will assist OVCs to meet their needs. About 60 percent of all children are classified as being vulnerable and 71 percent of them are orphaned children. But only 19 percent of households with orphaned children received the child support grant.

Deteriorating standards of living: livelihoods for population living in rural areas is compromised by high cost of some basic food. This limits the standard of living for the affected population. The COVID -19 pandemic has widened the gap between the poor and the non- poor. The poor fall into extreme poverty a situation where they lack income and unable to improve on their nutrition and access education, health, housing and employment.

In its present form, the social protection system impact on reducing monetary poverty and on mitigating the multiple non-monetary deprivations faced by the majority of children is insufficient. It does not reach all extremely poor children and households to meet their most basic needs. The limited resources are received by both the poor and the non-poor, leaving big social assistance gaps and are thus unable to contribute significantly to achieving the policy objectives of SDGs and the National Social Development Policy. Table 7 below show how the social protection programme can reach out to the most needy population.

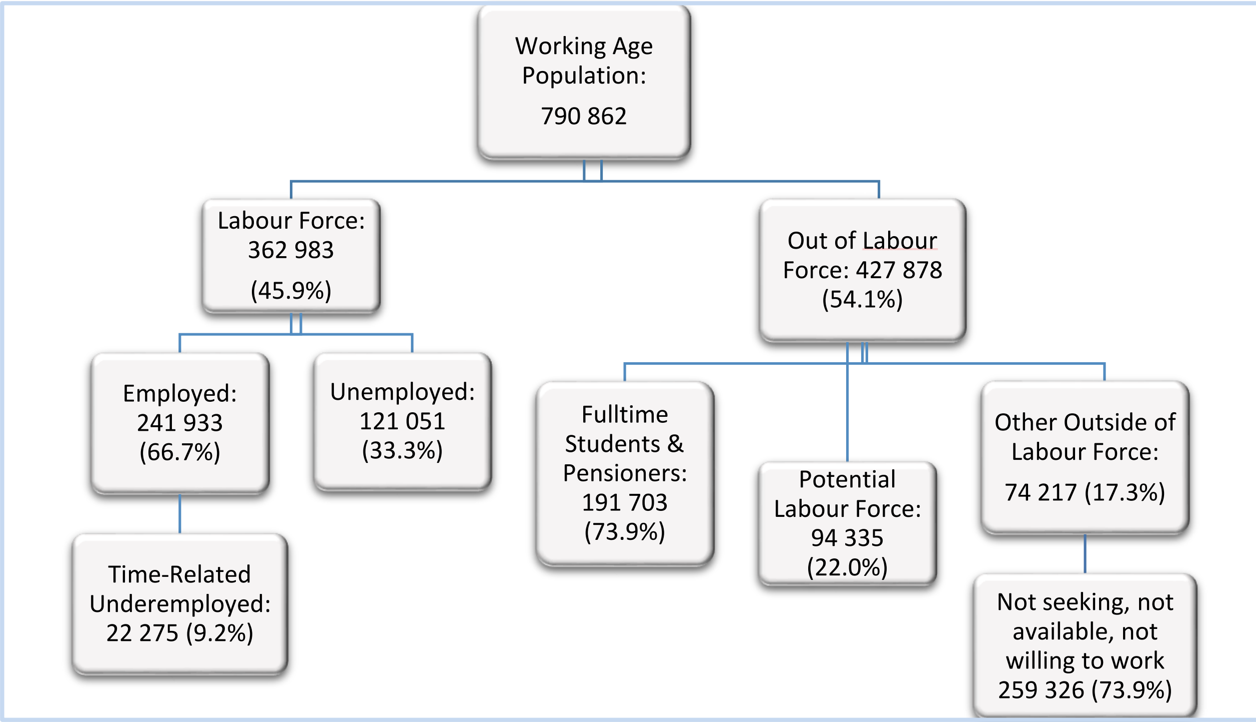
Table 7: Social protection interventions required by category of needy households

Type of interventions	A Moderately poor labour endowed 47,000 HHs	B Moderately poor labour constrained 37,000 HHs	C Extremely poor labour endowed 15,000 HHs	D Extremely poor labour constrained 20,000 HHs
Emergency relief in case of droughts, floods, etc.	**X**	**X**	**X**	**X**
Insurance to cover risks in health, disability, death of breadwinner etc.	**X**	**X**		
Employment (public works, productive safety net)			**X**	
Social cash transfers pus case management				**X**
Education grant			**X**	**X**

Source: UNICEF 2018

1.3.3.4. Labour and Employment

Figure 12: Current Status of Working Age Population (15 - 64)



Source: Labour force survey 2021

Eswatini's rapidly growing young working age population has the potential to support increased productivity, a stronger and more inclusive economic growth if properly harnessed. However, it remains elusive due to the poor link between the quality and capacity of the education sector and the ability for the country to produce the right skills for the economy. According to labour market surveys, the skills produced by the education system are not based on anticipated investments in the economy or a systematic analysis of labour demand and supply projections to inform more responsive skills development. The skills do not support the creation of employment opportunities for the youth to either join the labour market or be self-employed. The 2021 Labour Survey results indicate an increase of the national unemployment rate to 33.3 percent and 58.2 percent for the youth. Eswatini has a large pool of young people who could potentially be contributing towards economic development.

Key Achievements, Strengths and opportunities

Policy developments: in an effort to guide policy intervention and targeted investment in skills development, the skills audit exercise was undertaken. In addition, a national social security policy (2021) was developed and currently working on the unemployment benefit scheme and the workers compensation insurance fund.

Labour market information: the Labour Survey (2021) has been completed and results disseminated. This includes other studies being conducted with the assistance of ILO.

Private sector resilience: despite the COVID-19 pandemic, political unrest and current economic environment, the private sector showed resilience and saved jobs. The E500 million Reconstruction Fund was established by Government to assist businesses that suffered during the political unrest.

1.3.3.5. Gender, Youth and Vulnerable Groups

The period under review had prioritised the women, youth and other vulnerable groups, with the anticipated outcome being the youth empowered with adequate skills and opportunities, to live meaningful lives and to actively participate in the economy.

Key Achievements, Strengths and opportunities

Improved coordination: to get the youth involved in sports, arts and culture for livelihood. Investments were made in rehabilitating some of the sport facilities to ensure provision of economic infrastructure for the youth to engage in these activities and develop talent at professional level, and access targeted safety nets for those who are vulnerable.

Youth policy developmen*t*: this has been brought about by many and varied interventions implemented by government and partners. Prime amongst these being the development of the Youth Policy and the Operational Plan 2022-2025.

The Youth Enterprise Fund has played a critical role in providing funding for the youth and training for youth entrepreneurs through partnership with organisations such as the SEDCO, JA, Enactus, Catalyze, MTN and UNESWA.

Gender and the youth: gender policy was revised in 2020. Gender mainstreaming was undertaken in all municipalities and mentorship of young women into future leaders through various programmes like; *Umtfombo (mentors*), *Gwacatela nsika* (women in local economic development forum), and young women in local government. Youth development programmes and implementation plans in each municipality have been developed targeting both males (e.g. Kwakha Indvodza) and females. Other youth programmes include gender links for empowering males and other programmes in place supporting GBV survivors on entrepreneurship and providing seed funding.

The boy child: it has been observed that more interventions are tailored towards supporting the girl child and has resulted in the boy child remaining neglected, causing huge disparities. Males are also having a challenge reporting gender-based issues and there is a need to get their issues addressed especially among the youth.

Key challenges, weaknesses, and threats

Increased youth unemployment rate: has increased by 10.8 percentage points from 47.4 percent (2017) to 58.2 percent (2021)[14]. The majority of the youth is idle at 43.9 percent[15], they are experiencing high disproportionate unemployment at 46.2 percent [16] more especially those residing in rural areas is 63.1 percent. This state of affairs has led to the youth engaging in illicit activities, risky behaviours such as substance abuse, and sexual activities amongst other social ills. Lack of quality employment for youth is a major economic and social risk, and that is why concerted efforts need to be made in ensuring that the youth take centre stage in development planning programmes.

Youth headed household; in and out of school double as head of families and taking care of older family members. Youth orphanhood and vulnerability represents 33 percent of the 0-17 years of age living with neither biological parent. The rural-urban divide is also a challenge to the youth, with those from rural areas experiencing much worse predicament. Youth from urban areas have access to improved transport networks, communications, job opportunities, government and financial services and have better food security, including households' amenities such as electricity clean water and sanitation.[17]

Risky behaviours amongst the youth; young people are most susceptible to contracting HIV/AIDS especially adolescent females aged 15-24 who have HIV Incidence rate of 1.98 percent when compared with males at 0.24 percent. Young people living with disabilities are the most vulnerable even amongst the youth cohort in terms of access to education, and access to employment prospects. Sexual and reproductive health rights issues still remains a challenge faced by Swazi youth leading to poor access to SRH services, early sexual debut, unintended pregnancies and gender based violence. Society remains highly patriarchal and thus creating prejudices on sex-based identities and expectations at homestead and community platforms, extending to formal occupations[18].

Lack of skills required by corporate sector: this remains the main barrier to generating employment opportunities for educated youth. Skills-mismatch in the labour market is a major challenge which the private sector consistently highlights as a hindrance and has led to increased youth unemployability. Addressing this skills' mismatch is critical in reducing unemployment levels and in making businesses more competitive. A good labour market information system is key in this regard, as is regular consultations between academic and research institutions. Further, a demographic shift is being experienced with a large and young population group entering the workforce, while facing another challenge of those who are unemployable. This provides both an opportunity to growth if this young population can be integrated into the labour force, but also a threat should youth unemployment remain high. Educational strategies will need to prioritise preparing potential workers with the appropriate skills needed in the labour market.

[14] Labour Force survey 2021
[15] ibid
[16] ibid
[17] State of the youth report 2015, MoSCYA, UNFPA
[18] National Youth Policy Operational Plan 2022-2025

1.3.3.6. Housing And Urban Development

Key Achievements, Strengths and opportunities

***Sectional Titles Act (2018)**:* approval of Sectional Titles Act as amended in 2018 and Regulations (2019) and the appointment of the Sectional Titles Regulation Board, Examination Committee and Sectional Titles Registry for storage purposes. Capacitated regional development teams on Sectional Titles Act and Regulations.

Geographic Information System: promoted the use of geographic information system (GIS) and other technologies in the management and administration of land to enable land planning and allocation purposes.

***Graduate trainee programmes*:** a number of municipalities have graduate trainee programmes which assisted in capacitating youth and provided incentives as a token of appreciation.

Local Economic Development Policy: Eswatini has developed a LED policy and trained residents on its contents and how it shall be meaningful to them.

Key challenges, weaknesses, and threats

***Shortage of funds**:* planned activities could not be implemented due to lack of resources. The allocated resources were re-allocated for COVID-19 pandemic response. Funds were no longer available for GIS license, and vacant positions were not filled. In addition, equipment for smooth implementation of the Sectional Titles Act could not be procured and the implementation was hindered.

***Lack of digitalisation**:* there is lack of automation in the implementation of some of internal programmes and activities.

1.3.3.7. Agriculture, Food Security and Nutrition

Key Achievements, Strengths and opportunities

Maize production: the input subsidy programme has continued to provide a meaningful support to farmers to ensure food availability. Local production of maize has been increasing over the years due to this programme and demand for the subsidy has been gaining momentum. Domestic maize availability was 100,042 m.t. has been realised in the 2020/2021 farming season[19] and grew to 127,000 m.t. in 2021/22 season.

Mechanisation support: the number of tractors and farming equipment has increased through support from development partners to increase access to farming inputs for smallholder farmers, thus enhancing farm operations and increasing area under production. A combine harvester is available through NMC

[19] VAC 2021 Survey Report

to help large scale farmers to cut down on their operation costs and finish harvesting operations timeously.

Key challenges, weaknesses, and threats

Climate Change: the continued effects of climate change are causing an effect on the agricultural sector and on production. The occurrence of *El Nino* induced drought has caused a drop in agricultural production and pasture for livestock, while the Cyclone *Eloise* has led to flooding and damage to crops. The frequency and intensity of droughts appear to be increasing and the country has limited climate change adaptation and mitigation mechanisms to build resilience. Swazi National Land is predominantly subsistence with poor investments in agricultural infrastructure, technology and farming systems and has been greatly affected by droughts and floods impacting livestock and crop production. Some part of the Lowveld and Lubombo are particularly exposed. To make matters worse, rural agriculture is not covered by insurance against any disasters.

Acute seasonal food shortages: affecting the poor and vulnerable people, with an estimated 336,000 people (29 percent of the population) facing acute food insecurity that requires urgent humanitarian assistance. The main factors that have led to an increase in food insecurity include the protracted impacts of the COVID-19 pandemic with increasing levels of unemployment, which have risen from 23.5 percent in 2020 to 33.3 percent in November 2021 and high food prices. Access to food is constrained by increased food prices for maize meal, rice and beans.

Input prices and availability: The country is experiencing a shortage of input supply mainly in fertilizers and seeds. This has led to exorbitant price increases offered by suppliers, consequently leading to low profit margins being realised by farmers. This has also led to decline in yields as a majority of farmers could not afford and/or access farm inputs. The over reliance on imported production inputs is threatening the food and nutrition security of the country. Most of the production inputs - fertilizers and hybrid seeds are imported, and leaves the country in shock when there is reduced supply of these inputs from regional partners.

Maize production: the country has in a few years been able to produce enough white maize to feed itself but also relied on imports to meet its consumption requirements. Local maize produce is less price competitivecompared to imported grains and local production makes up just 70 percent of the national requirement, despite being the staple food. Further, a lack of coordination and inefficiencies associated with the rollout of the input-subsidy programme have reduced its potential impact as farmers fail to get the desired inputs from the suppliers on time.

Post-harvest losses: the country still experiences high post-harvest losses (35 percent) indicating large food wastage which exacerbates the food and nutrition insecurity levels in the country. Losses due to aflatoxins are a regular yet not well monitored and impact assessed.

Russia-Ukraine War: has greatly affected the supply of inputs causing a drastic increase in fuel prices and wheat. Russia is one of our trading partners and supplies cannot be sourced from it, and the war has caused prices of commodities to soar up. The price of wheat flour and products such as bread to go up thus threatening food security.

Pest and disease incidence: the emergence of pests and diseases has affected the yield levels of both crops and livestock commodities. Fall army worm (FAW) has affected the yield of maize as it destroyed crops from a number of farmers and this has led to increase in the cost of production as farmers incur extra costs of pest control chemicals thus reducing their profit margin. Tomato producers are facing an outbreak of *tuta absoluta* worm, while the broiler industry was greatly affected by the outbreak of avian influenza causing supplies and prices challenges.

1.3.4. Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law

1.3.4.1. Public Service Delivery

Key Achievements, Strengths and opportunities

Legislation: The enactment of the Public Service Act of 2018 provides the legal framework to enable the enforcement of performance management and the Public Service Charter across government.

E-government: e-government strategy developed by the government in 2012 was effectively implemented to digitalise government services in order to improve service delivery. Some of the projects that have been implemented under e-government programme include the client management system implemented by the Ministry of Health. Moreover, through collaboration with MTN Eswatini, other modes for mobile money payment for government services were introduced for car registration, company registration, applications for scholarship and payment of social protection grants, as well as tracking passport and ID processing by the Ministry of Home Affairs. Furthermore, the tertiary application process has been digitalised for most local higher learning institutions.

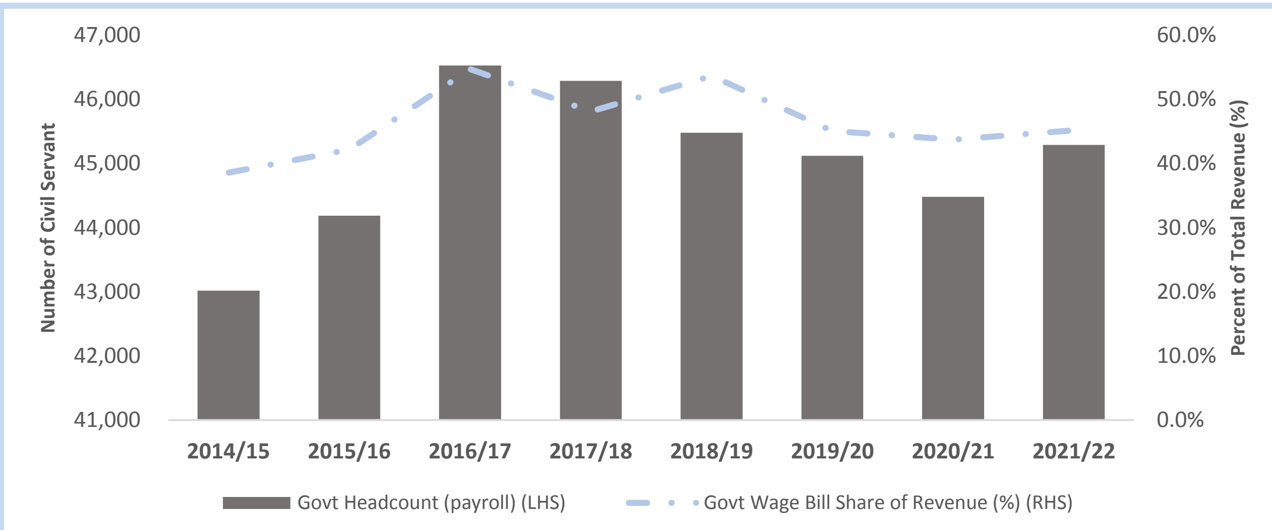
Alternative Service Delivery: the policy is part of the strategies to be employed by the government to contain the public wage bill, including the outsourcing of some services currently offered by government to private providers in order to increase efficiency. The Alternative Service Delivery Policy has been developed to explore and foster new methods and public private partnership (PPP) options for enhanced delivery of government services. The services moved include Computer Services department to the Royal Science and Technology Park (RSTP) and the Agricultural Mechanisation Unit to the National Maize Corporation (NMC). However, the overall effect will be an increase in transfers as a budget item and could be budget neutral.

Public sector headcount management: an assessment of ghost employees was undertaken by the Ministry of Public Service and the report revealed that there were no ghost employees found in the system. The ministry has upscaled the performance management system (PMS) which will have positive impacts for public service delivery, as well as the government's relations with global stakeholders interested in the country's improvement in service delivery. Moreover, the PMS will help determine which government departments are understaffed or overstaffed, in order to optimise the personnel budget remaining within 25 percent of the operational budget against the current average of 40 percent.

Public procurement system: the public procurement strategy was enacted in 2020 which clearly defines the tendering procedure and regulation. This was done to re-engineer the public procurement system and ensure transparency as tender bid winners are now published in the local print media.

Stakeholder Engagement: There is scope to improve the Government's engagements with Public Sector Associations and other stakeholders. Areas of concern can be more readily addressed through closer collaboration, thereby boosting staff morale. Reforms also have a higher chance of success when all stakeholders are involved.

Figure 13: Government head count relative to the wage bill as a share of revenue (%) 2014/15-2021/22



Source: MoF & MoPS, 2022

Key challenges, weaknesses, and threats

Performance management: the lack of a credible performance management system within the public sector has remained a serious challenge for effective service delivery. This has led to difficulties to reward hard work and address poor performance. Performance management is particularly difficult as salary increases and promotions are largely disconnected from objective performance indicators. Moreover, promotions are based predominately on long-service, thereby encouraging laxity and low productivity whilst demotivating productive staff leading to high staff-turnover as they get attracted to institutions that highly recognise their skills and rewards are commensurate with effort and experience.

Capacity gaps: public sector growth was skewed towards security and state-owned enterprises. The fiscal challenges have caused government to lose skilled personnel, not invest in capacity building, equipment, system and tools. Certain sectors are challenged and can barely provide services due to inadequate capacity in terms of skills and numbers. The policy on hiring freeze has affected significantly the professional cadres. Capacity issues may have contributed towards poor policy implementation but major contributing factors appear to be a combination of the fiscal crisis and lack of political will.

Wage-bill: continued increase in the public service headcount has translated into an unsustainable wage bill which has crowded out allocation of goods and service budget for operations as well as public investment. This has compromised service delivery as personnel are under-resourced and unable to execute their work efficiently.

Corruption: Eswatini has regressed significantly in the Global Transparency International Corruption Perception Index, and the country has fallen from a ranking of 89 in 2017 to 122 in 2021. In addition, it has also lapsed in the corruption indicator for the Millennium Challenge Corporation (MCC) from a rating of 66 percent in 2019 to a low ranking of 54 percent in 2021. Corruption tends to increase the cost of doing business in an economy thereby becoming deterrence to clients as well as potential investors. According to the World Bank (2020) through the Eswatini Systematic Country Diagnostic, "corruption has worsened in the past decade and is the single biggest challenge in doing business in Eswatini as a number of managers cited it as a frequent occurrence in their route operations". Additionally, the World Bank report highlighted that, "a significant proportion of private firms expect to give a bribe to secure a government contract". The "greasing of the wheel" mindset has detrimental effects on public finance management through inefficiency and lack of competency on the implementation of the public investment programme. These lead to cost escalation in the provision of public services and misappropriation of government funds. Moreover, the price of corruption has a negative effect on the quality of goods and services rendered due to overpricing and poor quality-standards. The root of corruption in the country emanates from three facets mainly conflicting legal frameworks, weak institutional framework as well as a departure from the social construct as a majority people have normalised corruption and have high tolerance for it.

Corruption on the procurement of goods and services is observed through the use of the same suppliers, inflated prices and sub-standard products. On employment, it is seen through nepotism and incompetent personnel without the proper qualifications. Corruption on public investment programme perspective is observed through political interference in selecting capital projects without any feasibility studies and cost benefit analysis for funding. Progresses further into implementation where most of the public project bids are won by a single entity, projects scope of works are changed and costs escalations are experienced.

Redundancy of post: certain posts created over a decade ago are now outdated and have become redundant. Hence, they should be abolished and appropriately qualified staff redeployed. Realignment of posts to suit the current needs of the public service would allow staff to deliver services more effectively and efficiently.

Cashflow challenges: persistent cashflow challenges have increased arrears and derailed the implementation of some crucial programmes leading to inefficiencies in service delivery. Observed mainly through tenacious drug shortages at local health facilities, delays in the roll-out of education programmes, lack of implementation of the e-government programme and implementation of capital programme. Additionally, this has increased the cost of service rendered as supplies have increased their cost of supply to cushion themselves against the delays.

Silo mentality: lack of collaboration and weak coordination between decision makers and implementing bodies affecting the implementation for government programmes. Moreover, MDAs have become territorial in executing their mandates and functions thereby creating unnecessary competition and waste of resources by duplicating efforts. Additionally, processes and procedures for receiving and utilising grants are not followed by MDAs. The delays in approving the PFM Regulations and completing the IFMIS cause lack of transparency and systems to coordinate the management of grants received from developing partners as some are not declared and there is no reporting on their usage. The Development Cooperation Policy is in place but not fully implemented due to delays in the PFM Regulations approval.

1.3.5. Well Managed Natural Resources and Environmental Sustainability

Natural resources management has become even more critical with the advent of climate change and disaster risk. It is an essential aspect for safeguarding prospects for socio-economic development and for ensuring that present and future generations have a foundation for their prosperity. Land, water, minerals, and air are the key resources and utmost care will be given to manage them well. During the previous Plan period, Government developed relevant policy instruments, legislation, strategies, focus and capacity for implementation of intervention measures. The NDC was revised and approved by the UNFCCC as a guide for protecting the environment by reducing GHG emissions and enhancing climate change adaptation as well as overall resilience building. Government made a commitment to reduce emissions by 5 percent by 2030 which can increase to 14 percent if development partners are able to provide financial assistance. While all sectors are affected by climate change, the NDC has prioritised contributions for adaptation as these sectors - agriculture, water, ecosystems and biodiversity and infrastructure. Under mitigation, sectors that are prioritised are energy, waste, industrial processes and product use (IPPU) and agriculture, forestry and other land use (AFOLU). Under cross-cutting areas, gender, disaster risk reduction and youth were prioritised with ambitious NDC contributions. The environment sector remains strategic to the country in issues that relate to the growth and development of tourism, environmental sustainability and climate change and need for sustainable management of natural resource – sustainable forest management, conserving wildlife and culture – meteorological services and building a climate resilient nation for sustainable growth and development for the present and future generation.

1.3.5.1. Water Resources

Key Achievements, Strengths and opportunities

Access to clean water, sanitation and hygiene: the water sector has seen a 13 percentage point's increase in clean water coverage from 56 percent to 69 percent meanwhile the share of the population with access to improved sanitation services has increased to 86 percent. This was achieved through the construction of community water supply schemes in the different regions of the country and drilling of 20 ground water boreholes.

Capacity building: capacity of households has been strengthened through access to roof-top rain water harvesting technologies, for improved water availability and climate change adaptation. The Ezulwini Sustainable Water Supply and Sanitation service delivery project was initiated to provide safe and reliable water, to alleviate the impacts of climate change on the receiving population, and to adapt the water resources to the anticipated impacts of climate change.

Water resources governance: the establishment of water resources management institutions in the form of joint river basin authorities is one of the interventions to strengthen governance of the water sector. Mandated to work together with the river basin authorities for coordinating conservation, management and development of water resources in the established river basins.

Water resources infrastructure development: investing in multipurpose dams for increased capacity of bulk water storage has been a priority in the outgoing national development plan. The construction of 3 multipurpose dams is still prioritised. Feasibility studies for the earmarked Nondvo dam have been completed as well as the feasibility study for raising of the Hawane dam walls.

Key challenges, weaknesses, and threats

Access to clean water: the country remains way behind its declared goal of achieving 100 percent coverage by 2022. UNICEF (2019) found that only 69 percent of Eswatini's' population have access to basic water services and only 58 percent have access to sanitary services. Access to improved water resources remains lower in rural than in urban areas. Increase in rural to urban migration and the fast-growing informal settlements and peri-urban areas will also require new approaches to water resources management, hygiene and sanitation.

Policy and legislation: other challenges in improving access to water resources include a weak legal, institutional and policy framework for water resources management, limiting budgetary allocations that do not provide for maintenance and new investments in the water sector. Rural Water Supply division lacks the capacity to implement rural water programmes and is dependent on EWSC for implementation.

Climate change: is also set to have a huge impact in the water sector as some of the effects projected for the water sector indicate that drought will be a frequent phenomenon for the country and will affect sectors such as agriculture, industry and energy.

1.3.5.2. Land Management

Key Achievements, Strengths and opportunities

Sustainable land use and Combating Desertification: Eswatini became one of the countries that are undertaking the United Nations Convention to Combat Desertification (UNCCD) Land Degradation Neutrality (LDN) target setting process. Under this process the country set voluntary national targets for achieving land degradation neutrality. Significant progress was made with regards to build capacity of traditional authorities on sustainable land use and management. Through different initiatives, chiefdoms were assisted to formulate chiefdom development plans and precinct land use plans.

Land governance: the Sectional Titles Act of 2019 and its regulations were promulgated within the reporting period, and the Sectional Titles Examination Committee was appointed as mandated by the relevant regulations. Swazi Nation Land Commercialisation Bill was developed and approved by Cabinet and is now awaiting approval by Parliament. In the same period, government has put in place institutional arrangements to govern the leasing of idle government farms for commercial agricultural use. This is despite the pending promulgation of the Commercialisation Bill.

Key challenges, weaknesses, and threats

Lack of land policy and legislation: the lack of a national land policy and overarching legislation remains a major challenge in the administration of the country's land resources. Uncoordinated and unplanned use of land in the country is also widespread as a result. Data on land use is poor and as a result assessments on land use change remain a challenge without the data on land cover changes. Prevalent encroachment of sensitive land ecosystems like wetlands, indigenous forest areas and watershed areas by human settlements is highly observed as well as commercial activities like clearing virgin land for agricultural production and illegal logging.

Poor monitoring: there is no routine monitoring for soil health indicators such as erosion, salinity, structure decline, and reductions in organic content. Consequently, understanding of the actual extent of these problems is limited.

1.3.5.3. Waste Management, Pollution and Environmental Sustainability

Key Achievements, Strengths and opportunities

Waste management: the government has continued to put considerable effort to strengthen waste management in the country through the drafting and enactment of the Plastic Control Regulations (2021). The "Phatsa Sakho Nawe (no plastic)" campaign and the Clean Eswatini campaign were initiated to curb the use of shopping plastic bags in the retail sector and to also encourage clean up campaigns in the country as a means to clear-out the environment and reduce plastic pollution. To further improve waste management and disposal, waste buy-back centres were established in all four regions of the country.

Biodiversity conservation: considerable effort to improve biodiversity conservation and management of natural resources has also been undertaken. The 10 million trees campaign was launched in 2020 by the MTEA with the target of planting 10 million trees in 5 years. The successful implementation of Swaziland National Protected Areas network has seen the total land area declared as national protected areas grow to 5.6 percent in 2021.

Key challenges, weaknesses, and threats

Pollution: exposure to polluted air and land pollution through open dumping of waste and plastics, deforestation and water resources pollution continued to cause environmental degradation and severe health consequences. Indoor and outdoor air pollution from particulate matter caused by burning of coal for power generation from the nearby Mpumalanga region in South Africa, and the open burning of waste, vehicle emissions and use of wood fuel are leading causes of respiratory illnesses in the country[20].

Policy and Legislation**:** monitoring of environmental parameters including air quality remains weak due to weak legislation and institutional capacities. Waste collection, disposal and management remains a challenge. There is also fragmented legislation within the biodiversity conservation space while some of the conservation legislation has remained as Bill and in draft form for over a decade.

1.3.5.4. Climate Change, Environment and Disaster Risk Reduction

Key Achievements, Strengths and opportunities

National climate change commitments: an updated version of the NDC was submitted to the UNFCCC secretariat in October 2021. The revised NDC raises ambition towards climate action to comply with the country's commitment to the Paris Agreement and one of the notable additions is the commitment of 5 percent economy wide reduction on Green House Gas emissions by 2030 compared to the base year of 2010 and a potential to increase to 14 percent with external financing. A costed NDC implementation plan is also in the process of being developed, with the consultant having been recruited and several stakeholder meetings have been undertaken. Eswatini is also currently developing the national adaptation planning project funded by the green climate fund. The National Adaptation Plan (NAP) process is an important way that countries can build their resilience to these impacts. Government took a decision to integrate climate change, environment and disaster risk in NDP and gradually into development planning and budgeting system.

Disaster risk reduction: the National Disaster Management Agency Strategic Plan sets the pathway for the agency and is based on the understanding of global trends and best practice in disaster risk management and country context. The disaster risk management by-laws were also developed in 2019 together with municipalities. The Eswatini Disaster Risk Finance Diagnostics (2022) study was undertaken to assess the status of financial preparedness of Eswatini to disasters and crises with the World Bank assistance and made recommendations on improving preparedness and response aimed at having a concrete contingency plan adequately financed, structured and capacitated.

Key challenges, weaknesses, and threats

Vulnerability to climate change impacts: Eswatini is most vulnerable and already experiencing the devastating impacts of climate change and extreme weather conditions despite contributing extremely negligible contributions to historical GHG emissions. It is prone to various hydro-meteorological hazards such as droughts, storms and seasonal floods as well as wildfires which significantly affect livelihoods and agriculture production. Cyclone Eloise destroyed infrastructure, houses and agricultural fields. Climate change impacts like high water stress significantly affect livelihoods like during droughts and the increasing frequency of climatic shocks is deepening poverty. The country also faces a sizable funding

[20] Review and update of the State of the Environment Report (2020)

gap in addressing severe climatic shocks. A more structured preparedness and response mechanisms need to be established and funding secured.

Institutional and planning frameworks: design and implementation of climate and disaster related institutional frameworks remain weak as evidenced by the lack of climate change legislation which remains a Bill in draft form. Although Eswatini has put in place an early warning system it is not adequate and a national multi-hazard contingency plan is urgently required. Emergency preparedness and response mechanisms remain underfunded, fragmented and are not well coordinated. There is also need to consolidate mandates of institutions dealing with climate change and environmental sustainability and further strengthen the capacity of these institutions to deal with climate change, environmental sustainability and disaster risk reduction.

Budget limitations: Financing for recovery and post-disaster reconstruction activities tends to be mobilised only after a disaster has struck, when the reconstruction plans have already been drawn up. In addition, poor mapping of institutional skills and capacities adversely affects monitoring, evaluation, and resource tracking during disaster responses. As a result of limited integration and mainstreaming of climate change, environmental sustainability and disaster risk reduction into national development planning and budgeting, funds to implement climate change projects and initiatives need to be part of the overall national budget and coordinated as per PFM Act (2017) and Regulations. Disaster preparedness and response is not adequately structured and catered for despite the increase in intensity and frequency. The disaster fund needs to be established and early warning systems strengthened.

1.3.6. Infrastructure, Housing and Information, Communication and Technology

Infrastructure is an enabler for socio-economic development and lays a foundation for all sectors to be productive. It is a critical element for a successful and competitive modern economy. Investing in infrastructure increases potential for economic growth, productivity, innovative systems, efficient public services, modernised government systems and competitive private sector. Also, it improves the agricultural sector, health and education, while providing significant positive spill-overs to other sectors. Quality infrastructure improves a country's global competitiveness and investing wisely in infrastructure is therefore critically important. Nevertheless, over- ambitious investments can lead to projects that are inefficiently large and have low marginal returns. Over the years, the country has invested largely and widely in paved roads, dams, housing, an airport and other hard and soft infrastructure, and currently faced with deteriorating infrastructure due to poor maintenance as a result of poor planning and lack of resources.

1.3.6.1. Energy

Key Achievements, Strengths and opportunities

Universal energy access: to address issues of energy availability, access and sustainability, the energy sector through the development and adoption of the Electrification Access Fund regulations has established the rural electrification access fund aimed at assisting rural communities to gain access to the electricity grid. This fund also aims to assist rural water schemes to use solar PV for pumping water to reduce the burden of high electricity costs to rural households. It is estimated that 79.7 percent of population has access to electricity.

Policy, legislation and institutional arrangement: the Eswatini Petroleum Company was also established through the enactment of the Eswatini Petroleum Act 2022. This government entity is tasked with the construction of the fuel oil reserves as well as licensing of fuel stations. To address issues of energy security, access and efficiency, the Energy Efficiency and Conservation Policy of 2019 and an accompanying strategy was formulated to support the implementation of reforms in the energy sector.

Electricity generation expansion: government has embarked on development of additional generation capacity using the STGEP which prioritised about 80MW biomass and 40MW solar projects, and several electricity generation expansion studies have also been undertaken. These include expansion feasibility study for 30 MW lower Maguga hydropower, 13.6 MW at Lower Maguduza as well as the successful completion of the Lavumisa solar PV 10 MW power station. There is a potential 100MW at Ngwempisi dependent on mobilisation of finance.

Climate Change: the energy sector has also committed under the Nationally Determined Contributions to increasing the share of renewable energy to 50 percent in the electricity mix by 2030 relative to 2010 levels.

Key challenges, weaknesses, and threats

Electricity supply uncertainty: Eswatini remains critically vulnerable in terms of secured energy supply post agreement with ESKOM, with the main challenge being insecure and unreliable supply and access to energy. The growing domestic demand for electricity is driven largely by the need to secure electricity supply for private sector growth to ensure no disruptions in production, and rapid pace of electrification, is taxing the infrastructure and compromising the quality and reliability of supply. Eswatini's dependence on imports of both electricity and petroleum products further raises concerns about the security and cost of supply, as the current bilateral agreement with South Africa expires in early 2025.

Policy needs urgent update to align with investment trends: the provisions of Energy Policy and Masterplan gives direction on future energy investments, however, regular updates will keep in line with technological advancements being pursued by investors. EIPA engaging MNRE for potential areas for investments to attract investors and enable the adoption of the technological innovation for the industry.

Climate Change: for Eswatini the mix of domestic energy production is largely based on hydro power and from the sugarcane-based co-generation. This further exacerbates the vulnerability for Eswatini as climate change impacts like drought are already resulting to severe consequences for the energy sector.

1.3.6.2. Housing And Urban Governance Infrastructure

Key Achievements, Strengths and opportunities

Sectional Titles Act: The Sectional Titles Act (2018) and Regulations (2020) meant to regulate the division of buildings into sections and common property as well as the acquisition of separate and joint ownership in sections and in common property was enacted as amended and the regulations were developed. This will increase the number of emaSwati to own property thus adding into their investment acquisitions. Capacity building for officers was done and benchmarked with the Johannesburg Housing Department. In addition, the Regulations Board and Sectional Titles Examination Committee were appointed and a Registry was done to ensure smooth implementation of the initiative. .

Urban governance: improvements in the governance and management of local authorities was prioritised and to this end the Local Economic Development (LED) Policy was developed. Residents of 13 local authorities were taught about the policy, its provisions and ultimately its (LED) adoption and implementation. Furthermore, the Public Finance Initiative was developed and launched which allows municipalities to raise capital or funding on their own for their own development programmes by engaging the private sector using PPP as one of the options. Two controlled areas - Hlane and Buhleni were declared towns.

Review of Legislations: two pieces of outdated legislation - Building and Housing Act (1968) and Rating Act (1995) were reviewed in order to ensue relevance of the legal frameworks to current domestic challenges and policies, alignment to international standards and the Constitution (2005). They will guide the work of urban authorities concerning the construction and maintenance of public and private structures considering revised building codes which integrate climate change, environmental and disaster risk issues; taking care of plight of vulnerable town dwellers such as retirees and OVCs who risk losing their properties and assets.

Key challenges, weaknesses, and threats

Sectional Titles Act (2018) implementation: the country lacks capacity, budget, equipment and systems for the proper implementation of the Sectional Titles Act (2018) provisions, mostly affecting the Registrar of Deeds department and Surveyor General's office.

Budget constraints: fiscal reforms that resulted in budget cuts caused the yearly allocation of transfers under the Capital Improvement Programme grant to municipalities, to decline by 50 percent from E40 million to E20 million. Unfortunately, the inter-governmental fiscal transfer system for transfers of recurrent and capital budget has not been reviewed since 2003. Capacity gap in both urban and rural governments remains un-addressed despite the recommendations made in the SLGP - World Bank funded project which led to poor project execution and participation.

Inadequate human resources: government implemented the policy of freezing posts despite the expansion of responsibilities earmarked to ensure compliance within the urban local authorities e.g. procurement, PFM Act (2017) requirements. Moreover, operations were scaled down as a result of fiscal challenges leading to the postponement of major activities.

1.3.6.3. Information Communication Technology

Key Achievements, Strengths and opportunities

Unbundling of Eswatini Posts and Telecommunications Corporation: consultant from the ITU was engaged, a report produced, subsequently the Bills have been drafted and submitted to Cabinet. This process of separating EPTC into three separate entities is meant to liberate the ICT sector, ensure fair competition and to broaden private sector participation.

Modernisation of Communications Infrastructure: EPTC has implemented a modernisation of core infrastructure and an upgrade of the current capacity of 10 Gbps to 100 Gbps for the Mbabane - Manzini corridor, doubling the available capacity There is an additional 10 Gbps that runs between Eswatini and South Africa on the EEC fibre, which has increased international traffic from 16 Gbps to 26 Gbps. EPTC has an agreement with EEC resulting in the use of optic fibre between the two entities in order to improve efficiency and to increase international capacity.

Increased affordability and access to broadband: in an effort to ensure internet communication is affordable and efficient wholesale and retail broadband costs were reduced by 30 percent coupled with an increase in 4G mobile penetration from 35 percent to 68 percent.

Review of Legislation: the NICI Policy has been reviewed in order to build the framework on which to develop the Digital Eswatini Strategy, taking into consideration the current global dispensation in the ICT sector such as the fourth industrial revolution, and to integrate ICTs across key economic sectors. The Strategy will be a blueprint that will incorporate both Broadband policy and Universal Access Policy to bridge the digital divide and increase access and affordability of broadband.

E-Government: the mobile money platform provided by one of the service providers has been launched and provides online services. It is used for the registration of companies, trading and liquor license renewals, motor vehicle license renewals, travel documents, IDs and application for visas. The ministries responsible are benefitting from these online services.

Key challenges, weaknesses, and threats

Emergencies: of the natural disasters such as COVID-19 pandemic, Cyclone Eloise and political unrest (cross-cutting challenges) had varying degrees especially with regards to human resources, damages in infrastructure and cyber-crime.

Budgets and resources: limited funding to implement some of the ICT programmes Inadequate ICT technical and management skills coupled with high rental costs and utility bills

1.3.6.4. Transport Infrastructure

Key Achievements, Strengths and opportunities

Road Infrastructure Upgrades: the upgrading of the 30 kilometre Manzini-Mbadlane (MR3) road and the 19 kilometre Sikhuphe –Hlane (D42) road was finished, meets international highway standards and is open to traffic. Furthermore, the Lukhula-Big Bend (MR16) and Lonhlupheko -Siteki (MR17) totaling to 50 kilometres road network was also upgraded using the PPP model of finance and build approach.

Key challenges, weaknesses, and threats

Public Private Partnerships as a financing option: there is no clear legal framework supporting using the PPP option to finance infrastructure development or any other development programme. It is being used as a financing modality for road infrastructure without policy or legislation. The challenge with funding for the projects already implemented is that payments are demanded to be made during construction period against the general principles of a PPP policy. This complicates the budgeting and the payment processes causing other challenges due to lack of funding such as an accumulation of arrears.

Cyclone Eloise destruction: roads were damaged amounting to huge costs for rehabilitation affecting paved, feeder roads and bridges. Institutional buildings and private houses were also affected.

1.3.7. Cross-Cutting Issues

Climate change and disaster risk management: threats of drought, heavy hailstorms and floods were experienced during the recent NDP period. Changing climatic conditions as a result of global carbon emissions and other greenhouse gases are a serious threat to the livelihoods of citizens, especially the poor who are not well positioned to adapt to the impact of climate change. Even governments especially from developing countries do not have the resources to intervene including Eswatini as she is faced with economic and fiscal crisis. Climatic conditions are worsening causing rising temperatures, drought, erratic rainfall and other extreme weather conditions. Agriculture, health and infrastructure sectors are more prone, and such conditions will increase the spread of diseases, loss of human life and food insecurity. Climate change will reduce food production and the availability of water for multi-purpose uses i.e. domestic, industry, irrigation and hydro-power generation. All these factors also greatly increase inflationary risks and dampen potential economic growth.

It is imperative that government with the assistance of development partners act promptly. Mainstreaming climate change, environment and disaster risk in the planning and budgeting process begins with the NDP and to be integrated in all sectoral development programmes. Priority will be given to the climate proofing of capital projects, and integrating climate change during procurement and implementation as well as developing strategies that mitigate the impact of drought. At the same time, resources – both human and financial will be mobilised from climate change funds to create fiscal space while protecting the environment and ensuring sustainable development.

Governance, peace and stability: what started as peaceful demonstrations culminated into violence, burning of properties and loss of lives, leading into a political crisis with demands for political change? The political crisis stems from various factors and most probably socially related, with the national unemployment rate at 33.3 percent and highest among the youth estimated at 58.2 percent and the first time it has reached such high levels. The country will hold a National Dialogue under a peaceful and conducive environment that will enable the population in its entirety, to present views/ideas on the way forward without any fear.

Harnessing the demographic dividend: as the 2017 population census results indicate, the population is skewed towards young people at 72.9 percent of the population. Harnessing the demographic dividend calls for huge appropriate and sustained quality investments in priority areas of the economy - education, skills development, health, job creation, and social protection. Also, it entails investing in creating opportunities and a supportive environment for innovation and entrepreneurship. Neglecting the youth has already presented a large threat of political instability as 58.2 percent of the youth are unemployed. Social issues can quickly mount if opportunities are not created and if youth unemployment remains high.

Gender, disability, youth and family issues: a lot of progress has been made in ensuring that women and girls are empowered and a lot more still remains to be done. Statistics on poverty indicate that the vulnerable families are headed mainly by women and are also food insecure, whereas women are central to the household economy and to the welfare of their families. According to the AfDB (2015), women play a vital leadership role in their communities and nations. They have been integrated in many aspects of society culturally, socially, economically and politically, they have remained subordinates despite the progress made towards women's and girls' equality in education, employment and political representation over the last two decades. As more families are headed by women and children, the family structure, morality and values are shifting which impact on national unity and identity. Female-headed households also have been documented to possess lower coping capacity than male-headed households.

Poverty, inequalities and vulnerabilities: Despite recent reductions in national poverty levels, the incidence of poverty remains intense, poverty is a key factor underlying vulnerability. 43 percent of the population are children aged 0 to 17 years of which adolescents are 25 percent of the population. According to UNICEF (2018) poverty disproportionately affect children as they account for 49 percent of household members in general, but among extremely poor and labour-constrained households, the average share of children is 66 percent. 56.5 percent are multi-dimensionally poor[21], and the rate of multidimensional child poverty is three times as high in rural areas (65 percent) than in urban areas (23 percent%). The MCP rate is also higher for boys than for girls (60 percent versus 54 percent, respectively). According to UNICEF, there is a call for gender equality efforts to engage both males and females of all ages as glaring challenges have been observed which threaten the lives of children, with the boy child also requires urgent attention. This has manifested itself in terms of severe hunger, inability to access

[21] experiencing deprivations in dimensions such as health; nutrition; education; protection and water, sanitation and hygiene (WASH)

public services, increasing burden of disease, rising household indebtedness and increasing neglect. The potential to reap the benefits from the demographic dividend is diminished as the problem worsens.

HIV and AIDS: despite large strides in bringing down the incidence rates, the prevalence of HIV and AIDS remains extremely high in Eswatini, with nearly half of the youth at an exceptionally high risk of HIV infection. This greatly impacts on the quality of life of future generations coupled with the unemployment challenges for the youth. The country will therefore not relent in the fight against HIV and AIDs.

Development planning and evidence-based policy making: returning to the use of the NDP to guide development policy and resource allocation as it provides priority agenda for development is important. However, that has to be backed by regular research to support policy changes, formulation and implementation; to avoid basing policy formulation on political inclination. Policy should be supported by data and will be monitored and evaluated to assess its impact. The planning system needs revamping, updating it in line with new developments, systems, tools, new concepts, legislation, regulatory frameworks as it has disintegrated, exposing huge gaps. Under the current fiscal crisis, it may be worthwhile to consider other systems for budgeting to align with the crisis. Further, little investment has been made in improving statistics - the collection and the delivery of reliable, timely and quality data. Data collection has depended heavily on donor resources. Improved outcomes are seen when a more rational, rigorous and systematic approach is followed. Also, to establish research forums to engage on policy and decide on best development options. There is substantial scope to improve policy making across all sectors through a greater utilisation of evidence. This requires prioritising building the country's data and statistical base, promoting further policy-specific research and analysis, M&E and developing the capacity of analysts, politicians and the general population to equip them to better understand, develop and utilise the evidence-base and minimise decisions based on political influence.

Information Communication Technology: the cost of ICT services and devices is high and there are ongoing initiatives to unbundle EPTC to liberate the industry and bring competition which will result in improved coverage, better technology, service and favourable pricing. Unbundling could open opportunities for private participation, however, progress is very slow. Only 47 percent of the population is internet users and the growth rate per year stands at 1 percent. For Eswatini to gain competitiveness, retain and attract foreign investment, it should liberate the ICT market. COVID-19 exposed the vulnerability of the private sector, banking/financial and education sectors. Government will invest in building a resilient education system using digital solutions in Eswatini to give all children equal opportunities for development and intellectual growth.

Economic governance: in order to effectively implement the goals in the NDP and to achieve sound management, improving economic governance will be a key priority. Processes and procedures have broken down and hardly followed resulting in poor governance across MDAs, and this has contributed partly to the current fiscal crisis and hindered progress on reaching socio-economic goals. An important intervention in this regard is political will to strengthen the Performance Management System across all MDAs through the enforcement of the PFM Act (2017), approval of PFM Regulations, complete and implement in full the IFMIS.

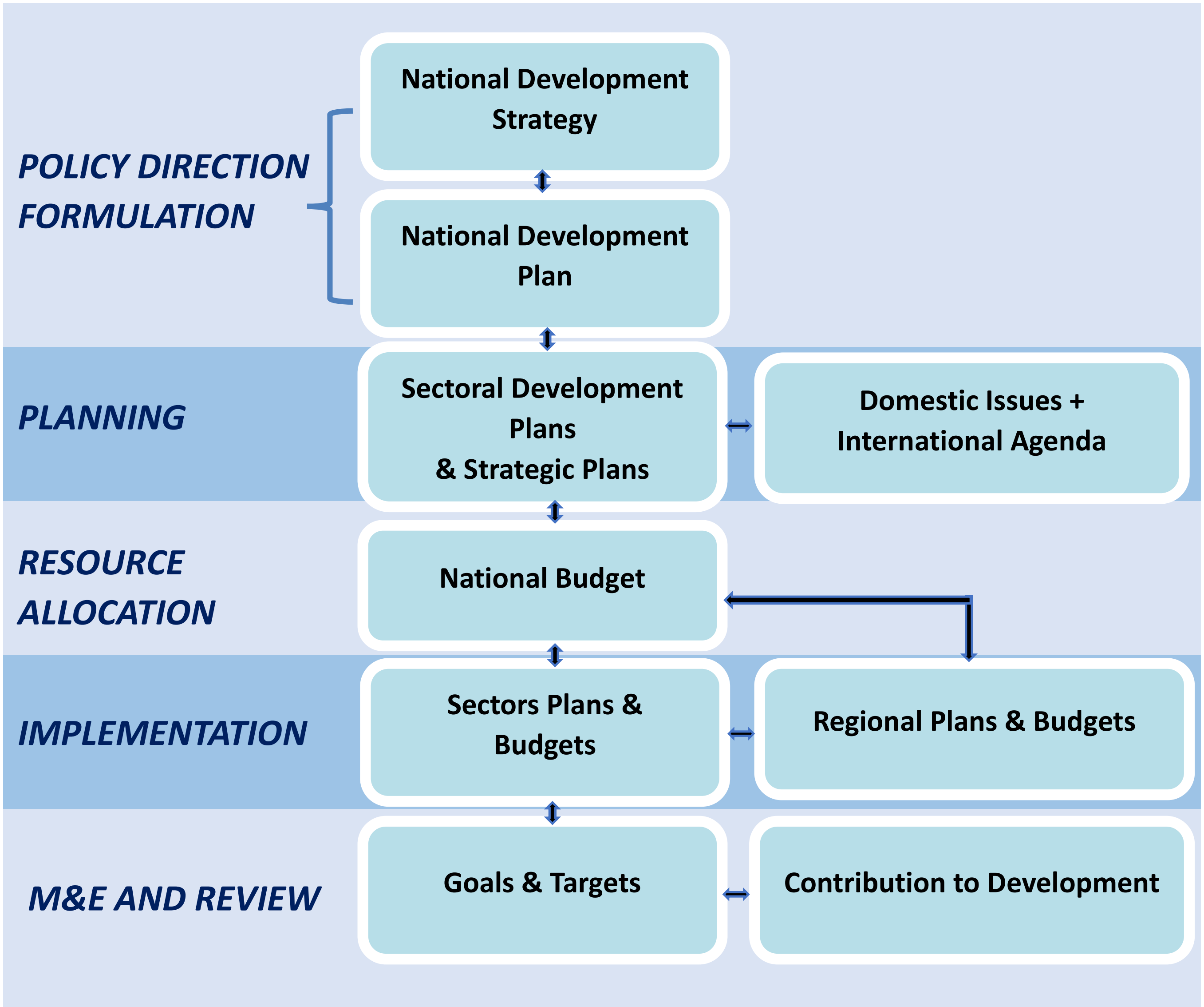
Skills-mismatch/education: remains the main barrier to generating employment opportunities for educated youth. Skills-mismatch in the labour market is a major challenge which the private sector consistently highlights as a hindrance. The undertaken skills audit by government gives insights into the wealth of skills available which industry can tap into. At the same time, it reveals the skills that are needed but not available. Government will assist industry to acquire needed skills by importing them while they are being developed through skills training. Addressing this skills mismatch is critical in reducing unemployment levels and in making businesses more competitive. Long term planning, studies and a good labour market information system are essential in this regard, as is a formalised regular dialogue between government – labour, education and commerce sectors, academic and research institutions.

Further, with the heightening unemployment rate among the youth, estimated at 58.2 percent (2021), a demographic shift is being experienced with a large and young population group entering the workforce. There are already signs of desperation, frustration, discontent and anger among the youth, and it is critical to address it. Educational strategies will need to prioritise preparing potential workers with the appropriate skills needed in the labour market. These challenges necessitate responsive, employer-led skills development, youth employment, and entrepreneurship services that meet the specific needs of vulnerable and marginalised individuals in Eswatini. There is need to adopt an "*emergency mode programming*" approach for the youth if the country is to harness the demographic dividend.

1.4. Return to National Development Planning

Planning at the national level is critical, as national government provides the framework within which other levels operate and the coordination of sector-specific policies, and the purpose of the NDP. The national level is where the policy goals from long-term visions and national development strategies are translated into actions plans and budgets (OECD, 2009). The national level is also important for international diplomatic relationships respecting agreements and commitments made, especially dealing with development partners and donors. The NDP gives an insight into the development agenda and priorities for the country following the consideration of domestic challenges and international commitments i.e. SDGs, AU Agenda 2063, SADC-RISDP, COP 26 and others. Plans are the basis for budget decisions that reallocate funds to tackle emergencies when they strike as it happened with COVID-19, Cyclone Eloise and political unrest, as well as prioritising more vulnerable sectors or regions. Key interventions at the national level with the previous NDP include applying a climate lens to sectoral plans and initiating new programmes to enable adaptation and mitigation to build resilience. The NDC was revised and targets 5 percent reduction of emissions, and to rise to 14 percent with donor assistance. To deal with climate change, new and/or more flexible funding mechanisms should be established to foster longer term thinking and help cover the cost of integrating climate change into development planning.

Figure 14: Development Planning Process



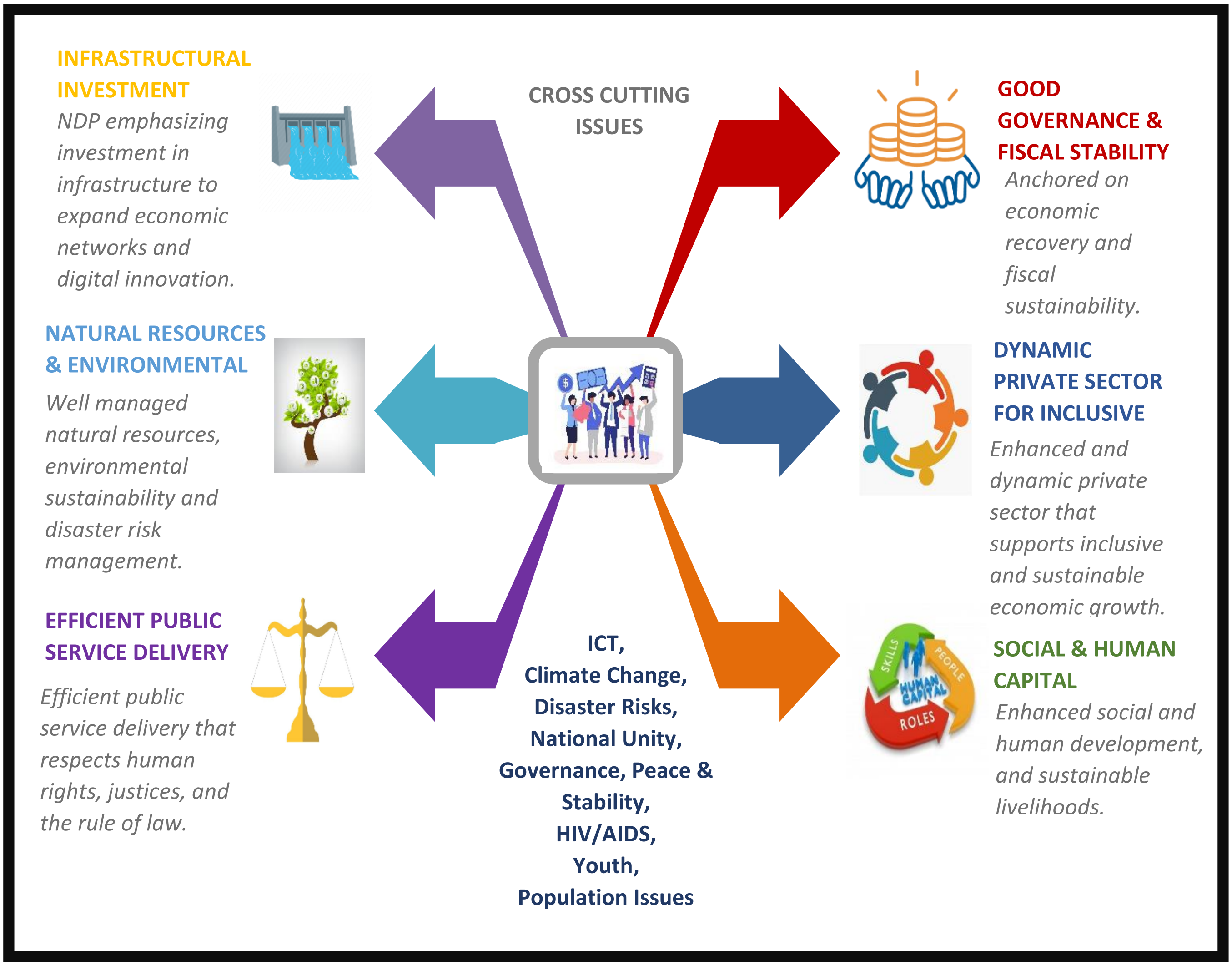
Government is concerned about the food security challenges that will result from the Russia – Ukraine war which is pushing prices of inputs and food significantly due to reduced supplies. Sustainable livelihoods of the nation are under threat. Nonetheless, Eswatini reaffirms its commitment to sustainable development at different forums, simultaneously balancing social development, economic growth and environmental protection, taking account of their inter-linkages, is the goal for the pillars of the national development agenda. Cognisant of the challenges facing the country, the NDP envisions that national development will be carried out with commitment, balancing and integrating the economic, social and environmental dimensions. It recognises the critical importance of forging regional and international alliances consistent with the global partnership for development.

With the NDP, government is determined to pursue a growth-focused development plan based on climate proofing investment, sound analysis of economic opportunities, peace and stability, and taking cognisance of its regional context. It is also seeking to leverage its relationship with regional partners such as RSA and Mozambique, and working to increase the cross-border mobility of labour and capital, and this is the context under which the NDP is being founded. The aim is to strengthen economic performance in order to gain economic recovery, tackle unemployment and invest in the Swazi people. Most of the macroeconomic indicators need policy reforms to come back on track and that is the recommendations of the NDP. The Plan is recommending the development of a Growth Strategy to tackle growth related issues to be complemented by strategies on economic diversification and private sector development. The country requires political will to implement measures to improve on good governance ranking and to acquire a favourable image with the nation, development partners and the external world. However, formulation and review of policies will be required to ensure that the pattern of growth is inclusive and benefits at the macro-level are translated into micro-level welfare outcomes.

The Plan undertook a performance review of the different sectors to assess strong and weak points in terms of achievements made and challenges faced that determined the outcomes and impacts of sectors. It recognises the impact of COVID-19 pandemic, Cyclone Eloise and the political unrests which characterised the Plan period. The assessments were done through analytical work reviewing studies and a participatory approach. In preparing an optimal plan, a solid understanding should be gained on the current situation. In aiming to achieve this, stakeholder engagement policy reviews highlighted where achievements have been made and what strengths and opportunities exist that can be tapped into, as well as the challenges, weaknesses and threats facing sectors were discussed. With the Plan, government aims at the re-introduction of the sector wide approach planning (SWAp) which will improve the planning and budgeting process, but this requires significant investment in terms of capacity, instruments, tools, systems, and a regulatory framework. This section forms the basis for the planned interventions that were considered when designing this NDP.

1.4.1. Overview and Strategic Approach of the NDP 2023/24 – 2027/28

Figure 15: Strategic Approach of the NDP



The strategic focus of this NDP is to ensure the country moves towards a vision whereby the economy grows, people's lives are improved as they live in a peaceful environment without fear, health and education services are accessible, jobs are created by a competitive private sector, and the environment is well taken care of and preserved for present and future generations. Poverty and inequality is thereby gradually eradicated. This is set out in the national outcomes as: (i) entrench a sound macroeconomic management mechanism that will allow for fiscal consolidation in the short- to medium-term; (ii) ensure an enhanced and more dynamic private sector that supports employment generating economic growth; (iii) foster social and human capital development to nurture a skills-base that is productive and able to adopt and adapt innovative technology; (iv) re-engineer the public service to a centre of excellence for an efficient and quality services delivery that respects and promotes peace, human rights, justice and the rule of law; and (v) manage the country's natural resources in order to reverse environmental degradation, build resilience and adapt to climate change with entrenched ideas of disaster risk management and environmental sustainability. Last but not least, invest in modern infrastructure and rehabilitation to enhance trade facilitation, mobility and connectivity.

The Ministry of Economic Planning and Development (MEPD) has produced the current NDP 2023/24 – 2027/28, covering the next five years. Government recognises that the most fundamental measure necessary to achieve the turnaround and stability is climate change resilience underpinning all the development aspirations and reform initiatives. It is crucial that climate change and environmental sustainability is mainstreamed in all programmes and certain sectors essential for growth are targeted - agriculture, water, energy, health, infrastructure and transport.

Integration at sectoral level is the starting point. There are multiple stages in the policy cycle where the integration of adaptation is required - during sectoral policy formulation and planning, a climate lens could be applied to avoid maladaptation, and to identify potential opportunities resulting from climate change; during the planning stage, interventions could include specific adaptation activities; during resource allocation, project proposals could be screened to assess whether they need to address climate change risks; and finally, monitoring and evaluation activities will be introduced that track the performance of adaptation measures and interventions (OECD, 2009). Sector planning is important because vulnerability and potential responses are often highly sector-specific. This is also a challenge for governance, as decision support tools need to be tailored to each sector. One typical strategy is to introduce climate change adaptation criteria into systems used to screen project proposals.

It is recognised that good leadership, human capacities, rule of law, improved governance and sound policies that promote private sector investment are required. Finally, to pursue objective for inclusive growth and development involves engagement in all aspects of social, cultural and political life; stakeholders are encouraged to contribute meaningfully to the decision-making processes in government and the functioning of the economy. It is imperative to bring back national unity and re-establish peace and stability.

The NDP implementation will be aligned with a results-based framework to be consistent with integrated planning and budgeting reforms. Interventions are aligned to national outcomes and sectoral outcomes with programmes identified. The sectoral outcomes stay focused on the national impact and national outcomes, and avoid going down into lower-level details as these are available at sectoral policy level. However, it clearly shows how the NDP provides guidance to these lower levels of the integrated system.

The Plan takes on board lessons learnt in implementation at national and sectoral levels adopting an integrated multi-sectoral cascading results-based framework. Sectoral programmes are formulated and implemented by MDAs and it is hoped that through the SWAp approach, it will be possible to track performance at sectoral level. Implementation will be reviewed annually to guide national annual budgeting, taking into consideration prevailing macro-economic developments at the time. This will be supported by bi-annual running of the M&E system to guide assessment of performance and maybe review of policies and measures.

Eswatini's planning process strives to be highly participatory and inclusive across society. The MEPD, through the Economic Planning Office coordinates national planning, including the NDS, Poverty, SDGs, Population issues, regional integration at SADC level and the mid-term review (MTR) of the NDS. Like the next NDS itself, preparation will involve mobilisation and engagement of stakeholders from all sectors. Stakeholder engagement spread from parliament, cabinet, MDAs, development partners, traditional authorities, communities, private and civil society sector participants in sector task teams.

CHAPTER 2
PURSUING GREEN GROWTH FOR ECONOMIC RECOVERY, SUSTAINABILITY AND RESILIENCE

2.1. Introduction

This chapter is aimed at introducing the concept of green growth as a goal that will be pursued at the core of the recovery programme for Eswatini. By integrating the NDC into the NDP, it is a commitment by government to go green or eco-friendly in its development agenda. According to the OECD (2011), green growth means promotion of economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. As such, green growth and sometimes a synonym with green economy[22] have been proposed as a means for catalysing renewed national policy development and international cooperation and support for sustainable development. These concepts are key pillars for and subsets of sustainable development. Since 1992, the world leaders have focused on sustainable development as the only viable way forward for future generations.

Likewise, Eswatini has been pursuing the sustainable development agenda since the Rio Conference in 1992. The country reiterated its commitment and joined the world community during the United Nations Conference on Sustainable Development in Brazil in 2012 (Rio+20) and with this NDP, it reiterates its commitment to sustainable development. This is in line with the African Consensus Statement to Rio+20 which states that "*The combined stream of economic, social and environmental crises that have plagued the global economy in recent years points to a need to reorient the current development models towards a more efficient, inclusive and sustainable economy by enhancing the resource efficiency of national economies and decoupling economic activity from environmental degradation*." Balancing social development, economic growth and environmental protection, taking account of their inter-linkages, is the aim to achieve Eswatini's national development key objectives.

Eswatini submitted a revised NDC to the UNFCCC in October 2021 as part of complying with the Paris Agreement. This Agreement presents an opportunity for Eswatini to identify linkages between climate change targets and the larger developmental priorities. By revising the NDCs, Eswatini was committing herself to the lowering of GHG emissions and being part of the world order to greening the economy and saving the earth. With this NDP 2023/24 – 2027/28, Eswatini is fully adopting certain major measures and approaches to development as the initial steps towards green growth. The concept of "green growth" refers to the practice of encouraging economic growth and development while ensuring that ecosystems remain in place and providing the services upon which social welfare depends over time. This NDP is compelling the development agenda to be climate smart, integrating adaptation and mitigation intervention measures, and building resilience. This will aid economic recovery that is

[22] The concepts have received significant international attention over the past few years as a tool to address the 2008 financial crisis as well as one of two themes for the 2012 UN Conference on Sustainable Development (Rio+20)

sustainable and build a solid foundation for the country to grow. All stakeholders have a role to play and a shared responsibility to invest in development through the climate change and environmental sustainability lenses.

The Ministry of Economic Planning and Development partnered with the Ministry of Tourism and Environmental Affairs to develop the NDP 2023/24 – 2027/28 which has integrated the NDC in order to promote economic growth while protecting the environment, creating jobs, and encouraging social equity. This NDP proposes that in order to adequately ensure that risks to the population's health are reduced, quality of life is improved and the country's environmental heritage is protected, there is a need to strengthen existing environmental management instruments and design new instruments. Also, to follow the best regulatory practices at the international level that allows for efficient regulations, and encourages seeking alternatives to current practices. In this sense, Eswatini is developing the NAP and NDC Implementation Plan as a process of moving towards green growth in the context of sustainable development over the next few years. In addition, it is promoting efforts in the areas of innovation, technology and the private sector to invest in environmentally friendly production processes. The NDP also seeks to monitor and evaluate progress through development indicators mixed with green growth indicators, environmental behaviour of the populace and their well-being. Government will fulfil its responsibility in implementing necessary measures to protect the environment in a preventive and corrective way, and the M&E system will strengthen the active role of the public sector in the areas of sustainability.

2.2. Integrating Climate Change into Development Planning

Development planning is at the front of policy changes and its instruments. It is a multi-level and multi-time scale activity that should be responsive to policy and accountable to the public (World Bank, 2021). The NDP 2023/24 -27/28 will drive resource allocation and mobilisation for this period and provide a structure for sectoral and regional development plans. At the same time, it will ensure that cross-cutting issues are also integrated. The integration of climate change entails mainstreaming of adaptation and mitigation measures into development planning and is considered as an effective way. Climate change, environment and disaster risk management are all prioritised and considered together as one and inter-linked. In this context, Eswatini has identified potential synergies of NDC targets with SDGs, Sendai framework and the National Development Plan, thereby setting forth an innovative and complimentary framework to accelerate climate action. Furthermore, there are opportunities to ensure that the updated NDC will also inform the revision of Eswatini's National Development Strategy. Expected benefits include building strong and not fragmented institutions and processes, saving money by making more efficient use of scarce resources, avoiding conflicting policies, reduced risks and vulnerability, greater efficiency leveraging the much larger financial flows in sectors affected by climate risks. One big plan works better than individual separate plans which promote silo mentality.

Planning at the national level provides the overall framework within which sectoral and other sub-national levels operate, and where the policy goals from long-term visions and national development strategies are translated into actions plans and budgets. Among key planning interventions include applying a climate lens to sectoral development plans and formulating new programmes that enable both adaptation and mitigation. Doing this may also allow for the reallocation of resources in cases of emergencies to those vulnerable sectors or regions. Furthermore, it is also crucial to recognise entry points available for applying a climate lens to identify potential opportunities within a sector:

I. At sectoral policy formulation and planning stage to include interventions with specific activities;
II. During budgeting and resource allocation, programme screening should be used to assess if project proposals have climate change risks especially with infrastructure projects; and
III. The monitoring and evaluation stage is essential to track the performance of measures and interventions to determine new decisions if need be.

Not integrating climate change issues into development planning will be suicidal as Eswatini has already experienced disasters which exposed its lack of preparedness. At global climate policy level, there is agreement about the urgency to reduce greenhouse gas emissions and slow global warming, and the priority is adaptation and mitigation, as some climate impacts are now unavoidable. Governments have to effectively respond to climate change and minimise impacts on both people and ecosystems, because climate change is expected to significantly undermine development by threatening critical resources, especially water and increasing the incidence and severity of natural disasters.

Eswatini government took the decision in the NDP 2019/20 – 2021/22 to give climate change, environmental and disaster risk management a priority consideration in development planning. During the Plan period, MEPD partnered with MTEA and received technical assistance and funding to review NDCs, conduct studies, review legal and regulatory frameworks and prepare NAP and Implementation Plan for the NDC. However, integrating climate change into development planning is at its infant stage when damage is already evident – better late than never. Climate change is increasing global temperatures, changing rainfall patterns and resulting in more frequent and severe floods and droughts. Evidence points out that with future emissions of greenhouse gases, global temperatures are on the rise at between 2 °C and 4 °C within the next century.

According to several studies, the main impacts of climate change will however not only be felt through higher temperatures, but through a change in the hydrological cycle. Rainfall pattern is changing drastically with extreme floods and droughts as average precipitation decreases. Not only the average annual or seasonal rainfall will change; there will also be an increase in the number of extreme events resulting in more frequent and severe floods and droughts. Climate change will have an impact on all countries around the globe and developing countries are most vulnerable to climate change, as it exacerbates levels of poverty and the poor likely to suffer most[23]. Climate change is likely to reduce economic growth in developing countries; significant investments in climate change mitigation and adaptation are necessary.

[23] Without serious adaptation, climate change is likely to push millions further into poverty and limit the opportunities for sustainable development and for people to escape from poverty.

2.3. Revised NDC expected contribution

Eswatini submitted the initial NDC in 2015 and a revised one to UNFCCC which was approved in October 2021. Since 2015, a lot of progress has been made to align with the objectives of the Paris Agreement. The revised NDC is more ambitious by adopting an economy wide GHG emissions reduction target of 5 percent by 2030 which can increase to 14 percent if external financing is secured. The country is sending a message that despite its insignificant contribution to GHG emissions at less than 0.007 percent of the global total emissions, climate resilience, sustainability and equitable development are key priorities. This translates to 4.5 million tonnes CO_2 equivalent of GHG emissions, however, evidence exists of the huge impact it has on critical sectors of the economy and the society at large. The NDC document (2021) has articulated the costs on the economy and the need for urgent action for adaptation and mitigation to build resilience to the country's main socio-economic sectors that are vulnerable to climate change. Rural communities are the most to suffer as more than 90 percent of the poor reside in rural areas. The poor rely on agriculture, natural resources and ecosystems for their livelihood and these are sensitive and exposed to the changes. The local communities depend directly on their local ecosystems to access basic needs - food, energy, water, medicinal and livelihood requirements. This high dependence has prompted the urgency to integrate climate change and environmental management into development planning, in order to tackle the threats and risks through adaptation and mitigation.

The general Swazi climate is characterised as subtropical[24], with four different ecological zones showing distinct climatic conditions, ranging from sub-humid and temperate in the highveld to semi-arid and warm in the lowveld. Present four recognised ecosystems are montane grasslands, savanna-woodland mosaic, forests, and aquatic systems. According to the Climate Risk Country Profile (2021), the savanna-woodlands are the dominant ecosystem, covering the central and lower parts of the country, followed by the montane grasslands predominantly in the highveld. Drylands[25] which cover 54 percent of the country are recognised as particularly vulnerable to the effects of climate change, and hence adaptation is essential.

Eswatini faces the interconnected challenges of rural poverty, food insecurity and environmental degradation. Environmental degradation is mainly driven by increasing human population, soil nutrient mining within farmlands, growing livestock populations on communally grazed rangelands, land tenure arrangements, deforestation and climate change. This leads to reduced natural resources, biodiversity, and ecosystem services—all essential for agricultural productivity. Resultantly, food insecurity for smallholder farmers rose and contributed to rural poverty and climate change vulnerability (CSARL, 2020).

As the human population continues to grow coupled with a rapid rate of urbanisation, there is increasing pressure on the natural environment to derive the materials and energy required to drive economic growth. There is, therefore, an urgent and fundamental need for the improved management of natural

[24] With wet hot summers about 75% of the annual rainfall in the period from October to March, and cold dry winters from April to September. However, seasons seem to be changing

[25] It is the lower middleveld, eastern and western lowveld, Lubombo range and upper middleveld, moist semi-arid zone, found in the southern lowveld is the driest zone in the country while the intermediate dry sub-humid zone occurs mainly in the northern lowveld.

resources and the establishment of sustainable production and consumption systems. To highlight the range of practical opportunities to steer towards a green and circular economy, key focus areas were chosen to help the country transition to a more resource-efficient, climate-resilient, and low carbon economy. Taking cognizance of climate change effects on all sectors of the economy, Eswatini has prioritised investing in adaptation and mitigation. It has identified the following sectors for protecting the nation from the harmful impact of climate change as well as reducing carbon footprint/GHG emissions.

Table 8: Revised NDC Sectors – Mitigation and Adaptation

Adaptation	Mitigation	Cross-cutting
Agriculture, Biodiversity and Ecosystems **Health** **Water** **Water supply, Sanitation, and Hygiene (WASH)** **Infrastructure**	Energy and transport Waste Industrial Processes and Product Use (IPPU) Agriculture, Forestry and Other Land Use (AFOLU)	Disaster risk reduction Youth Gender

Examples of actions identified to transition to a green economy in the various focus sectors include:

2.3.1. Agriculture

- Increasing the contribution of agriculture to economic development to support both food security and income generation through climate-smart and climate-resilient agricultural practices.
- Reducing poverty and improve food and nutrition security through sustainable use of natural resources, improved access to markets as well as disaster and risk management systems.

2.3.2. Water

- Improving water governance and compliance to help manage water resources more efficiently and effectively to adapt to resultant water shortages from climate change.
- Strengthening the control and monitoring of water availability and use, to protect surface and groundwater resources from over abstraction and impose timely restrictions when needed.

2.3.3. Health

- Enhancing legal, policy and institutional frameworks for health sector through mainstreaming climate change into the national health policies and strategies, as well as strengthening climate-informed disease control programmes and surveillance systems.

- Leveraging the use of technologies to help the health sector adapt to climate change through, among others, adopting sustainable climate smart technologies to enhance the resilience of communities to the adverse effects of climate change.

2.3.4. Ecosystems and biodiversity

- Scaling up actions and investments in ecological infrastructure.
- Establish long term biodiversity conservation, landscape management and natural resources management through actions including increasing the protected area network.

2.3.5. Infrastructure

- Climate proofing new and existing infrastructure, particularly critical infrastructure.
- Building capacity and implementing climate smart town planning for urban resilience and enhancing adaptive capacity of urban dwellers.

2.3.6. Energy and Transport

- Increasing the share of renewable energy to 50% in the electricity mix by 2030 relative to 2010 levels through the adoption of solar, wind, biomass, hydro, and solar water heater technologies.
- Introducing commercial use of 10% ethanol blend in petrol by 2030 and conducting studies to assess the adoption of electric mobility options.

2.3.7. Waste

- Conduct assessments and develop strategies to move from a linear economy to a circular economy model to support sustainable development in the country.
- Introducing Landfill Gas Recovery (LGR) in existing and new solid waste disposal sites.

2.3.8. Industrial Processes and Product Use (IPPU)

- Substitution of HFC consumption for low-GWP alternatives under the Kigali Amendment implementation calendar.
- Recovery and re-use of refrigerants contained in disposed equipment.

2.3.9. Agriculture, Forestry and Other Land Use (AFOLU)

- Reducing land degradation (including in mountain ecosystems) through restoration including tree planting.
- Improving livelihoods through better livestock management.

2.4. Towards Green Growth for Eswatini

Green growth is a cornerstone for sustainable development as it provides a modern and practical approach currently adopted by countries to achieve tangible, quantifiable progress in supporting their economic, social and environmental development, while taking full responsibility for the consequences of environmental neglect. UNEP (2011) argues that green growth provides pathways to sustainable development and poverty reduction because through appropriate policies, governments can grow their economies consistently with environmental goals. The focus of green growth strategies is ensuring that natural assets can deliver their full economic potential on a sustainable basis. That potential includes the provision of clean air and water, and the resilient biodiversity needed to support food production and human health.

Green growth is important for Eswatini as it desires to pursue economic development transformation underpinned by principles of environmental sustainability, climate adaptation and mitigation, resource efficiency and inclusiveness. Through the implementation of the NDC and other related environmental and disaster risk management legal and regulatory frameworks, Eswatini seeks to institute and sequence appropriate interventions for short, medium and long term. Its economic growth development agenda will be guided by environmental protection.

In Eswatini's context, the transition to green growth necessitates a number of trade-offs for some investments e.g. fossil fuels which calls for a clear understanding of where to devote policy effort and priority. The green growth approach will lead to better quality of growth, enhanced food, water and energy security, lower environmental risks and ultimately better well-being and quality of life. It will mean a reduction in greenhouse gas emissions and improved conservation of water sources, all ecologically sensitive areas, wetlands, river bank areas including its ecosystems. Sustainable consumption and production practices will increase the adoption of energy-efficient and low carbon buildings, transport, products, and services. Climate change adaptation measures and disaster risk management, as well as the protection and conservation of natural resources, including biodiversity, will be intensified to protect the nation and its development gains.

Achieving these aspirations requires a fundamental shift away from how things have been done. This requires fundamental changes across every major dimension including how policy is determined, how institutions are regulated, how responsibilities are shared, and how people value their environment. The transition to a green economy will also require a re-orientation and restructuring of the existing economy towards a more sustainable development trajectory through a range of investments, as well as policy and pricing reforms. This requires a strong policy and regulatory framework - legislation and regulations, policies, as well as strategies and action plans relating to sustainable development, spatial planning, land-use management, and environmental management. This also includes support and integration of existing policy, fiscal reforms and the development of new policy as well as cooperation with a broad range of public and private sector organisations at multiple levels.

This Plan is focused on improving environmental quality by undertaking climate change mitigation, adapting to its impact, and increasing efforts to conserve ecological assets. Green growth will be the point of transformation in bringing Eswatini towards a sustainable socio-economic development path, where improvements in quality of life are in harmony with the sustainability of the environment and natural resources.

Eswatini will implement the NDC to achieve a green economy through:

- Climate mitigation: reducing the carbon footprint; and
- Climate adaptation: protecting the nation from the impact of climate change.

Policies will pay specific attention to the impact that it will have to many of the social issues and equity concerns that can arise as a direct result of greening the economy. Changes will not be implemented at the detriment of social development and people's lives as it is meant to strengthen economic and social development. Thus, strategies will be people – centred and implemented in parallel with initiatives based on the broader social pillar of sustainable development. Successful implementation of green growth policies will:

- Put in place an enabling institutional, governance and financing framework to develop an optimal green growth strategy as envisaged in national Outcome 1;
- Enhance economic growth while creating higher incomes, economic gains and opportunities for decent employment for all including women and youth;
- Support a low-emissions economic growth pathway integrating resource use efficiency, climate resilience, disaster risk reduction and optimal use of natural capital; and
- Undertake a socially inclusive growth path that improves food and nutritional security.

The future with a successful green growth trajectory will look like this:

	FROM	TO
Climate change, environment and disaster risk	As separate independent issues	Tackled as interlinked and priority to safeguard investments. Integrated into development planning and budgeting processes
Adaptation and mitigation	Government's responsibility	Shared responsibility between the government, private sector, civil society and individual citizens
Waste disposal	In landfills	Resource for re-use, recycle and recovery - power generation or other products. Managed in modern technological ways
Development gains	Wasted away	Preserved and protected to ensure sustainable livelihoods for present and future generations
Natural capital, including forested areas, biodiversity, and water resources as well as its ecosystems	Abused and over-harvested	Valued and sustainably managed
Energy sourcing and use	Fossil fuels and with emissions	Clean and efficient. Renewable energy is widely used

CHAPTER 3
MACROECONOMIC FRAMEWORK FOR ECONOMIC STABILISATION AND GROWTH

The Plan is the first step towards attaining development goals in the medium term, and the thrust is to achieve macroeconomic stability, while stimulating growth and enhancing social and human development so that no one is left behind. Macroeconomic stability is a fundamental prerequisite for sustained economic growth. The overall goal of macroeconomic management is to accelerate and sustain inclusive economic growth, while maintaining macroeconomic stability and debt sustainability. The macroeconomic strategy for the current NDP is based on the successful implementation of the FAP – to achieve fiscal consolidation through policies that foster efficiency in public spending, increase domestic revenue mobilisation efforts and maintain price stability. In addition, Government will continue with measures to improve the external position with the rest of the world through promoting a competitive business sector to increase exports and build up foreign reserves. This will protect the peg with the Rand and cushion the country against external shocks.

The macroeconomic framework for the Plan has been designed to position the Swazi economy on a robust economic recovery and growth trajectory through prudent macroeconomic – fiscal management, which will ensure a stable macroeconomic environment. In the recent decade, Eswatini has witnessed significant macroeconomic imbalances due to a combination of multiple factors driven by sluggish growth, high expenditures, volatile SACU revenues, increasing debt, COVID-19, political unrest and climate change related disasters. The immediate aim, therefore, is to consolidate macroeconomic stability through appropriate fiscal restructuring measures, aimed at bringing fiscal stability and debt sustainability crowding-in private investment, mobilising domestic revenues and reviving the economic growth.

The macroeconomic objectives underpinning the Plan include:

(i) Opening of new avenues for economic growth through the development and implementation of strategies for growth, private sector development and diversification. Achieving an accelerated economic growth rate to gradually reach 5 percent by end of the Plan period.

(ii) Fostering price stability by maintaining core inflation within the target band of 3 -6 percent (CMA target).

(iii) Protect the peg with the Rand by ensuring that an appropriate level of reserves not below three months cover of imports of goods and services is achieved.

(iv) Pursuing a prudent fiscal policy with the aim of restoring macroeconomic stability consistent with the objectives of the agreed FAP. This includes revised[26] figures of expenditure reduction of 4.2 percent of GDP and raising revenues by 0.6 percent of GDP. The current debt level of 43 percent of GDP will stabilise at 38 percent of GDP at the end of the FAP, and expected to reduce further to 35 percent of GDP as the economy recovers and grows at 5 percent. In

[26] Against initial 4.6 percent in expenditure cuts and 1.9 percent rise in revenue

addition, the FAP will result in a fiscal deficit equivalent to 2 percent of GDP by FAP and a balanced budget by end of Plan period.

(v) Conducive business climate which would have overcome energy uncertainty, ensuring smooth and affordable energy supplies by the end of the current agreement with ESKOM (2025).

(vi) Enhancing delivery, cost effectiveness and quality of public investment programme through adoption of new financing modality – PPPs.

Box: COVID-19 and Russia – Ukraine war impact on the economy.

COVID-19 and Russia – Ukraine war impact on the economy.

COVID-19 and the war have impacted both food production and supply chains. The war is envisaged to weigh down on the strong recovery experienced in 2021 and on the overall economic growth, inducing a high inflationary environment particularly caused by a hike in inputs, fuel, and food prices. Inflation is anticipated to be on an upward trajectory from the lows experienced since the COVID-19. There have been extraordinary price increases mainly in cooking oils, wheat products, fuels and lubricants starting in December 2021 pushing inflation to 3.5 percent from 3 percent in November 2021, further to 3.6 percent in January 2022. For the first time since July 2020, the Central Bank was forced to increase the repo rate in January 2022, from 3.75 percent to 4.0 percent.

Furthermore, the current account balance is projected to be reduced drastically in 2022 due to the higher oil and food imports. Food prices are continuously going up eroding real disposable incomes, having a negative influence on overall consumption and worsening food insecurity. Eswatini has consistently had major food crises, about 30 percent of the population face severe food insecurity. Fertilizer shortages could worsen the situation by drastically reducing crop yields as the direct effect impacts on access to agricultural inputs. Input prices have been inflated, increased three times since 2021 affecting the agricultural sector. As the war in Ukraine is worsening, the poor are hurt the most and very likely to experience extreme poverty and food insecurity.

Table 9: Macroeconomic Framework - Selected Economic and Financial Indicators (2019/20 – 2027/28)

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
REAL SECTOR									
Nominal GDP	**65,080**	**67,224**	**73,940**	**79,392**	**85,438**	**91,816**	**96,578**	**102,558**	**108,802**
Consumption	**56,185**	**59,662**	**67,694**	**73,132**	**77,853**	**77,047**	**80,463**	**84,546**	**88,806**
Private	1,875	44,759	52,795	58,332	62,589	61,302	64,335	68,319	72,479
Government	14,310	14,904	14,898	14,799	15,264	15,745	16,128	16,227	16,328
Investment	**8,708**	**6,225**	**7,631**	**7,194**	**9,151**	**10,582**	**10,624**	**11,281**	**11,968**
Private	4,309	937	2,344	2,031	3,039	4,167	3,400	5,098	4,774
Government	4,399	5,287	5,287	5,163	6,113	6,414	7,223	6,184	7,195
Net Exports	***1,753***	***1,337***	***(1,385)***	***(933)***	***96***	***(175)***	***(1,631)***	***(2,015)***	***(2,394)***
Exports	29,606	22,095	0,726	33,290	36,427	37,622	39,415	41,572	43,847
Imports	27,853	20,758	32,111	34,223	36,332	37,797	41,045	43,587	46,241
Real GDP (2011 Prices)	**42,619**	**42,641**	**44,761**	**45,870**	**47,193**	**48,793**	**49,970**	**51,174**	**52,580**
Inflation (%)	**2.9**	**3.9**	**3.8**	**4.4**	**4.5**	**4.2**	**4.0**	**4.0**	**4.0**
FISCAL SECTOR									
Total Revenue & Grants	**17,772**	**18,806**	**18,649**	**19,364**	**21,795**	**22,353**	**23,590**	**23,129**	**25,596**
SACU Receipts (% of GDP)	9.7%	12.4%	8.6%	7.3%	8.8%	6.9%	8.8%	7.3%	8.5%
Domestic Revenue (% of GDP)	16.9%	16.5%	16.4%	16.2%	16.3%	15.7%	15.2%	14.8%	14.6%
Grants (% of GDP)	0.8%	0.3%	0.2%	0.8%	0.5%	0.4%	0.4%	0.4%	0.4%
Total Expenditure	**21,772**	**23,245**	**21,552**	**23,998**	**25,321**	**26,169**	**27,514**	**26,690**	**27,997**
Wage-Bill (% of GDP)	12.4%	12.5%	11.8%	11.2%	10.6%	10.1%	9.9%	9.3%	8.8%
Goods & Services (% of GDP)	4.4%	4.3%	3.2%	3.9%	3.1%	3.1%	3.0%	2.8%	2.7%
Interest Servicing (% of GDP)	2.1%	2.1%	1.8%	1.4%	2.1%	2.0%	2.1%	2.1%	2.1%
Capital Exp. (% of GDP)	8.8%	7.4%	4.7%	6.7%	7.4%	7.2%	7.7%	6.2%	6.8%
Other Exp. (% of GDP)	8.3%	8.7%	7.7%	7.0%	6.4%	6.0%	5.8%	5.5%	5.3%
Overall Budget Balance	**(4,000)**	**(4,438)**	**(2,902)**	**(4,634)**	**(3,526)**	**(3,815)**	**(3,924)**	**(3,561)**	**(2,400)**
Public Debt Stock	**20,453**	**26,121**	**29,984**	**32,374**	**33,663**	**33,771**	**36,656**	**38,552**	**41,753**
Domestic (% of GDP)	18.1%	23.4%	23.6%	20.8%	19.3%	17.8%	18.7%	18.6%	18.6%
External (% of GDP)	13.3%	15.4%	16.9%	19.9%	20.1%	18.8%	19.3%	17.0%	19.8%
EXTERNAL SECTOR									
Current Account Balance	**2,852**	**3,676**	**2,198**	**708**	**2,810**	**3,439**	**3,974**	**817**	**1,402**
Trade Balance	***1,893***	***1,352***	***(1,385)***	***(933)***	***96***	***(175)***	***(1,631)***	***(2,015)***	***(2,394)***
Exports	29,581	29,591	30,726	33,290	36,427	37,622	39,415	41,572	43,847
Imports	27,688	28,239	32,111	34,223	36,332	37,797	41,045	43,587	46,241
Primary Income Balance	***(6,769)***	***(6,809)***	***(5,141)***	***(5,844)***	***(5,982)***	***(4,823)***	***(5,795)***	***(7,179)***	***(8,704)***
Credit	1,767	1,768	2,007	2,119	2,209	1,726	1,932	2,051	2,176
Debit	8,536	8,577	7,148	7,962	8,191	6,549	7,726	9,230	10,880
Secondary Income Balance	***7,728***	***9,133***	***8,724***	***7,485***	***8,696***	***8,461***	***11,400***	***10,011***	***12,500***
Credit	8,212	9,718	9,156	8,001	9,111	8,829	11,772	10,387	12,880
Debit	484	584	432	516	415	368	372	376	380
Gross Official Reserves Stock	**6,632**	**9,225**	**7,022**	**8,253**	**9,509**	**10,272**	***10,555***	***11,216***	***11,887***
Months of Import Cover	*2.9*	*4.0*	*2.6*	*2.9*	*3.0*	*3.0*	***3.5***	***3.0***	***3.8***
MONETARY OTHER									
Discount Rate (%)	5.50	3.75	4.00	5.00	6.00	6.25	7.50	7.50	7.50

Source: Macro Forecasting Team (MEPD, CBE)

The current macroeconomic framework reflects the resource envelope for the financial year 2022/23 – 2027/28, but also presenting a historic perspective on the fiscal performance since FY 2017/18. The macroeconomic framework relies on many policies, including fiscal, monetary, external sector and trade policies. Government fiscal policies for the Plan period are guided by the Fiscal Adjustment Plan, which is the desired link between planning and budgeting. It brings the reality of available financial resources necessary for policy implementation and avails the opportunity to review past revenues and expenditures, as well as policy to determine its efficiencies and effectiveness. In addition, the framework connects sectors bringing together policies, resources, and technologies that make economic development materialise.

On the other hand, the MTFF presents fiscal policy measures focused on achieving fiscal consolidation and stability, and re-orienting resources to priority areas, also identifying national level policies that have consequences for economic growth, public accountability and transparency. Thus it is important that MTFF is drawn from the macroeconomic framework. The primary objective of macroeconomic policy is to create an environment conducive for a competitive private sector that could lead to rapid employment growth and rising standards of living. The key areas of focus include: public private partnership in the development process, improved productivity in agriculture – crops and livestock sectors, enhanced industrial competitiveness, better service delivery systems, and upgraded human capital formation.

Resource envelope outlook: is anchored on fiscal consolidation with macroeconomic stability and fiscal prudence taking centre stage to restore budget credibility and reset the fiscal position towards a long-term sustainable trajectory. The revenue enhancement measures of the FAP are projected to improve the fiscal position in the medium-term. Total resource envelope (including grants) for FY2022/23 – 2027/28 is estimated at E135.83 billion, falling short by E22 billion to meet total expenditure of E157.69 billion for the Plan period. Government is proposing revenue enhancement measures through a revision of tax i.e. company, individual and VAT for the FY 2022/23 – 2023/24 to increase revenues by an estimated at E289.38 million. SACU receipts are also expected to average about 8 percent of GDP over the Plan period, estimated at E44.99 billion. The major risk to this baseline is defaulting on the full implementation of the fiscal adjustment plan as well as the geopolitical tensions which will affect global inflationary pressures weighing down global growth. Furthermore, the political climate marred with social apprehension and uncertainty remains a negative risk for the outlook. Additionally, the volatility of SACU receipts in the absence of a stabilization fund also poses a risk.

Fiscal expenditure outlook: total expenditures are expected to decline in real terms over the Plan period due to the adjustments expected as a result of implementation of the FAP. Expenditures will average about 27 percent of GDP over the Plan period, equivalent to E157.69 billion. It remains constant over the FAP period – FY 2022/23 to FY 2024/25, and is expected to rise for FY2025/26 – 2027/28 due to loan repayments and increase public investment. The wage bill and goods and services are expected to be on the decline, with personnel costs declining from an average of 10.6 percent of GDP for the first three years of the Plan to 9.3 percent of GDP in the last three years. Goods and services are expected to decline from an average of 3.1 percent to 2.8 percent of GDP. The capital programme is expected to increase from an outturn of 4.7 percent of GDP in FY2021/22 which was skewed towards health and private sector due to COVID-19 pandemic and the unrest. The budget was reallocated to mainly the health sector for the construction and rehabilitation of facilities, followed by water and education sectors. The expected increase in the last three years of the Plan will cater for the big agricultural sector Mkhondvo – Ngwavuma project, Parliament building, Human Capital – Education component and Skills Development TVET project.

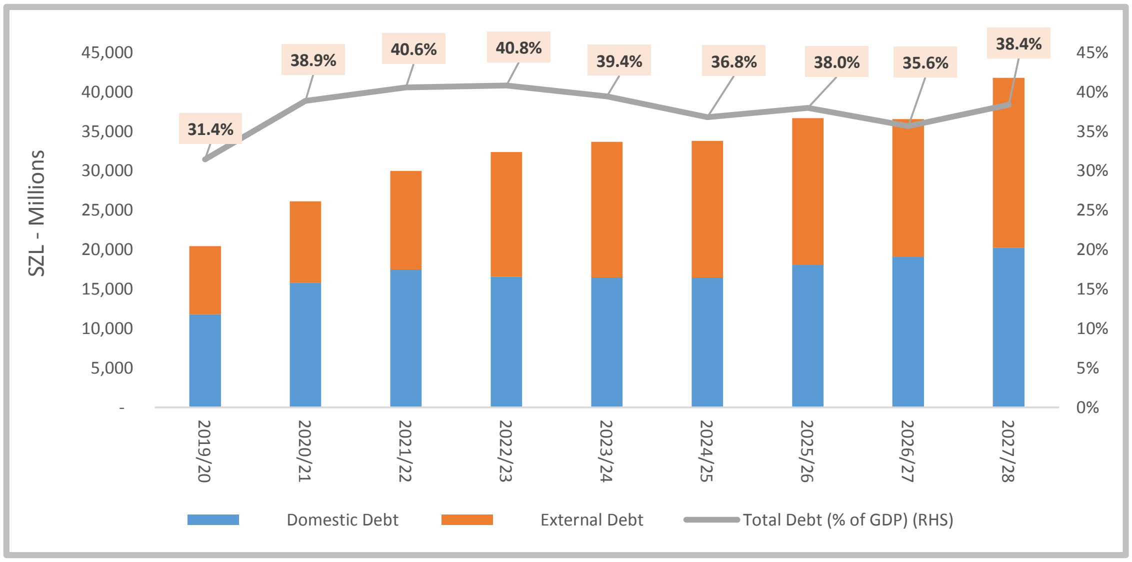
Further, the implementation rate of capital projects (77 percent) in FY 2021/22 was much slower than initially budgeted for due to the fiscal crisis, including for externally financed projects. Capital programme makes up for increases in recurrent expenditures, additional to its treatment as a residual. Arrears have been reduced from E5.3 billion in March 2020 to E2.6 billion in March 2022 benefitting from the budget support. Finally, interest obligations continue to grow with increasing public debt in the outer years due to the external loans received. Projections indicate attaining a debt level of 38 percent to GDP against the recommended threshold of 35 percent to GDP by the end of Plan period.

Fiscal Balance Outlook: Total expenditures for FY 2022/23, are expected to amount to E23.2 billion, or 30.2 percent of GDP, while total revenues will reach E18.7 billion, or 23.8 percent of GDP, a decrease of 2 percent from FY2021/22. This will result in a 4.8 percent deficit as a percent of GDP, or E4.60 billion which is an increase in the deficit of E2.9 billion in FY2021/22. Additional debt has been accumulated as budget support from the AfDB (US$36m) and World Bank (US$75m) equivalent to E1.67 billion to cover part of this deficit. It brought the total expected public debt stock to 43 percent of GDP in May 2022. Nonetheless, this amount excludes funding of projects under the PPP arrangements and secondary loans to be negotiated during the FY 2022/23 for some of the major capital projects, including the Mkhondvo-Ngwavuma Water Augmentation scheme and Human Capital – Education component. The Rail Link project needs serious consideration and a candidate for PPP. It will relieve pressure on the roads, support trade facilitation and stimulate growth.

Deficit financing and debt Sustainability: Although the FAP aims at achieving debt sustainability and the rate at which debt is growing is a great concern especially as it is budget support and not project financing. The rise in debt in 2020 was spurred primarily by the demand on government spending to respond to the COVID-19 pandemic, fiscal crisis, lower revenues because of the temporary recession and the contraction in GDP. Total public debt rose from E20.45 billion in 2019 to E26.12 billion in 2020 and to E29.98 billion in 2021. However, more investment needed for projects to boost growth creating future wealth. Revenue growth remains subdued and cannot yield all the required financial resources to meet the required development needs. Projections indicate a positive result of budget deficits at around 2.0 percent of GDP at the end of the Plan period.

A higher debt stock comes with a greater risk of debt distress, and its macroeconomic consequences. According to the framework, debt stock is declining as a percentage of GDP from 43 percent of GDP in FY2022/23 to 38 percent of GDP in FY 2027/28 which is above the recommended threshold of 35 percent of GDP. The Plan assumes the adjustment prior to FY2027/28 will have laid the fundamentals for macroeconomic stability with growth triggered and 38 percent debt to GDP achieved. Post FY2027/28, Government is to continue with reforms for sound macroeconomic management, 35 percent of GDP target is achievable at the beginning of the next Plan period. The Government commits to carefully analysing its debt sustainability before contracting any new debt. Borrowing will be prioritised for those projects with higher economic returns; as recommended by the study conducted by the IMF on public investment programme, and greatly improve efficiency in public investment. Contingent liabilities like debt of state-owned enterprises are a potential risk to debt sustainability, thus to better manage this risk, government will be developing guidelines for borrowing by state-owned enterprises, and will continuously monitor these liabilities. Furthermore, the IFMIS should be completed and be operationalised to improve public finance management. This will allow the aspirations of NDP to be realised without compromising macroeconomic stability.

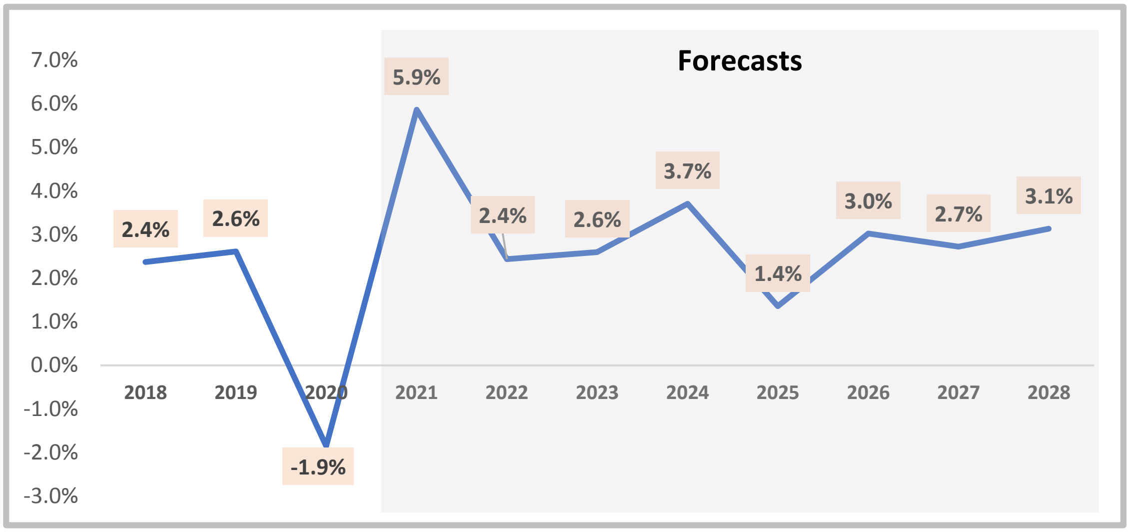
Figure 16: Total Public Debt – Domestic & External and % of GDP



Source: Macro Unit - MEPD

Economic growth prospects: The growth experience of the past decades is characterised by falling growth potential and occasional episodes of higher growth, and the potential for growth is constrained. It is clear that critical structural reforms are needed in many sectors and activities if the economy is to attain the dynamism required by the country's demography, and the need to prosper in an increasingly competitive global environment. An overview of the sectoral performance, during the last five years, shows that the services sector was the major driver of growth, providing an average of 53 per cent of the aggregate growth. GDP made a rebound in 2021 (post – COVID 19) and grew by 5.9 percent supported by a resurgence in the secondary and tertiary sectors, particularly manufacturing, construction, and information technology and communication activities. Economic growth is projected to continue recovering in 2022 with real GDP growth projected to be 2.4 percent in 2022, 2.6 percent in 2023 and 3.7 percent in 2024. Overall, average growth during the Plan period is projected to be 2.6 percent. Economic growth will be supported by growth in agriculture, ICT and continued recovery in manufacturing and wholesale and retail trade.

Figure 17: Real GDP Growth 2017 - 2028



Source: Central Statistical Office & Macro Forecasting Team

On the contrary, private investment has remained very low (12.9 percent of GDP in 2020) constrained by, among other factors, governance challenges, heavy state involvement in the economy and a generally weak business environment. The public sector took over the leading role and is reflected by its growth from 6 percent of GDP in 2010 to about 10 percent of GDP in 2020. There are risks to the growth prospects which uncertainty around COVID-19, the associated waves amid vaccination advances, erratic weather conditions, fiscal constraints due to increased debt levels, uncertainty surrounding the country's political climate, and the geopolitical tensions.

As discussed in Chapter 5 on good governance and fiscal stability, government will redefine its role as a facilitator and regulator rather than directly managing the production and distribution. However, it will continue to perform its decisive functions of the macroeconomic management, policy formulation and implementation of various laws. The private sector will be the main engine of economic growth and development. This will require significant work on the country's governance system, its incentive structure and the functioning of institutions. The private sector competitiveness will be increased, and cost of doing business reduced by major improvements in infrastructure, institutional reforms and policy paradigm. New sectors for economic growth will be identified and developed, while the existing sectors will be provided with information and support to modernise their production and distribution systems. Improved technology and information regarding best international practices will be disseminated throughout the agriculture sector in order to increase its value-addition. Agriculture and the agro-business sector will be developed through vertical integration to reach high-end international markets. Since RSA is the main trading partner, there is hope with the recovery of its economy to pre-COVID 19 levels.

Monetary sector outlook: inflationary pressures are anticipated to be on the rise in the short to medium term. As projected, inflation to stabilise around 4.2 percent, 4.1 percent, and 4.2 percent in 2022, 2023 and 2024, respectively, with the pressure for the domestic economy emanating from the geopolitical tensions, i.e. the Russia-Ukraine war, and the impact is already being felt. It is expected to be transmitted into the domestic economy through imported inflation as the domestic economy imports commodities such as fuel and energy, food as well as farming inputs amongst others. In the short-term, commodity prices such as Brent oil, wheat, edible oils, farm inputs (fertilizers) have already reflected a significant increase, affirming mounting inflationary pressures. On the contrary, the exchange rate is expected to exert downward pressure on inflation in the short to medium-term. However, an upsurge in domestic administered prices continues to be a downside risk going forward. Moreover, from the monetary accounts viewpoint, monetary policy is expected to tighten up to contain inflationary pressures with the discount rate projected to increase at a gradual rate although remain below pre-COVID-19 levels.

External sector outlook: The overall current account balance (including grants) is set to decline in 2022 as a result of the global developments, then to improve over the following three-year period, from a surplus of 0.9 percent of GDP in FY 2022/23 to 3.1 percent in FY 2025/26. Exports and imports are remaining constant in terms of GDP but imports are showing a strong growth than exports from 2025/26 to 2027/28 resulting in a projected negative trade balance. Manufacturing sector is experiencing expansions and receiving new FDI due to government's interventions in attracting investment and in promoting agro-processing. The current account will be partly financed by increase in foreign direct investments and government foreign borrowing. The strategy is envisaged to yield a healthy level of reserves cover above the annual average of 3 months of imports of goods and services.

Conclusion: the macroeconomic framework chapter examines the overarching objectives and policies on which the current NDP hinges on. The recovery of the SA economy (despite the risks from the severe load shedding) and other trading partners in the post-COVID 19 period will have multiplier effects on the Swazi economy prospects including appreciation of the currency. External demand is expected to pick-up in the medium term, and this development, together with an expected rise in SACU receipts, should boost the current account surplus in the medium term and ensure that the country has sufficient foreign exchange to safely purchase imports. However, this depends on the successful implementation of the FAP.

Setting the country's policy framework continues to be at the forefront and accommodates the integration of policies for sustainable and inclusive growth. Boosting long-term economic growth through the implementation of structural reforms is crucial to support government's ability to deliver resilience and cushioning for future shocks. Therefore, the macroeconomic framework sets the strategic objectives of the NDP. Government will continue to pursue fiscal policy that maintains macroeconomic stability and supports inclusive growth, while preserving debt sustainability. The strategy for fiscus recovery will focus on revenue enhancement and expenditure management. There will be continued investment in public infrastructure especially in securing energy supplies to further bridge the infrastructure gap for production enhancement and accelerate inclusive growth. Government will implement the integrated national financing framework and strategy that takes cognizance of emerging innovative financing options for both public and private sector to deliver NDP outcomes. Borrowing will be prioritised for those projects with higher economic returns and is also expected to greatly improve efficiency in public investment. Finally, Government will improve on accountability and transparency in the utilisation of national resources, and fight corruption. Engagement with all stakeholders to improve their participation in the identification and implementation of national development programmes.

CHAPTER 4
INTRODUCTION TO THE NATIONAL DEVELOPMENT PLAN 2023/24 – 2027/28

THE NEXT FIVE YEARS

4.1. Introduction

The development of the NDP 2023/24 – 2027/28 was guided by the unfinished business from the previous NDP as well as highlights from the assessment of the NDS/Vision 2022 which presented serious development gaps that required attention. The Plan is formulated with attention given to the macro-fiscal issues and other related governance challenges with political will as the centrepiece of all development efforts and an anchor to implement policy reforms. The focus is on economic recovery with sound macro-fiscal management given priority reinforcing the Government's commitment to turning around the economy back on a growth path, restoring peace and political stability, achieving eco-friendly growth and sustainable livelihoods for the general populace. Resultantly, focus is to promptly address governance issues both economic and political, role of government as an institution, and the private sector as a key player in the economy, while sustainable livelihoods is concerned about what matters most to the people, which includes meeting basic needs, creating decent jobs, small businesses, the cost of living, family well-being, and national unity. Government is cognisant of the climate change risks and has taken those into consideration as it impacts on the footprint of development path. All sections of society must benefit from the country's economic wealth in order to create an inclusive and united nation living in peace and harmony. The Plan is strategic in that it presents an opportunity for government to deliver on the aspirations and desires of emaSwati. The Plan is based on the theme "good governance: the anchor for economic recovery, green growth and sustainable livelihoods", and has six strategic national outcomes that will transform ambitions into reality, propel the country from a state of despair towards a growing economy and inclusive nation.

4.2. NDP Priorities of Priorities

The anticipated results will be achieved by strengthening the fundamentals for change and policy reforms, selecting the key priorities amongst all priorities is based on what is considered to be game changers at this critical time. It is aimed at unlocking the current hinge facing Eswatini, and set the stage for a successful turnaround of the economy and nation building. At the macro or strategic level, the Plan has identified six game changers as priority that once successfully applied, will fundamentally change the trajectory of the country's growth and development:

I. Improving good governance as the centre-point for launching the reform process
    a. Respect for rule of law, peace and political stability;
    b. Sound macro-fiscal management – accountability and transparency as a foundation for development and growth;

c. Fighting corruption; and
d. Transforming the role of the state - restoring its credibility and trust.

II. Establishing a competitive, job creating private sector.
III. Modernising the agricultural sector for increased production and food security.
IV. Investing in human capital and social development with focus on:
- Skills development;
- Youth empowerment;
- Quality healthcare for all;
- Quality education for all; and
- Poverty reduction.

V. Strengthening infrastructure – transport, energy, water and digital innovation.
VI. Climate proofing investments and strengthening environmental management.

4.3. Goal and Key Development Results

The main goal of this Plan is the transformation of the economy and people's lives, to be attained under the overall theme. In pursuit of the transformation agenda and with the set priorities, the Plan aims to achieve the following results:

i. Good governance restored – a trusted and well supported government, a lean productive public service with strong institutions that exercise sound macro-fiscal management, promote national unity, peace and stability; facilitate and guide socio-economic development, respect human rights and rule of law as well as undertake prudent management of natural resources.
ii. A transformed modern state that will stimulate industrial, agricultural, technological development through the adoption of appropriate policies and, enabling legal and regulatory framework; invest in human capital, as well as allowing the private sector to grow.
iii. A transformed agricultural sector that will increase agricultural production and productivity through investments in high value crops and mechanised irrigation schemes to achieve food security, and support the manufacturing sector for value addition/agro-processing, export expansion and the production of goods that are imported.
iv. A strong and competitive private sector that is able to drive growth as well as strengthen partnership with government, create employment opportunities and collaborate with MSMEs to absorb the youth.
v. Increased more skilled, healthier and better motivated workforce for all sectors of the economy, especially for the private sector, resulting from comprehensive investments in human capital development encompassing education and skills development, health, as well as harnessing information and technology.
vi. Sustained economic growth driven by a vibrant private sector, economic diversification, upscale mining and mineral beneficiation, a strong MSME sector and tourism expansion.
vii. Well-coordinated, climate proofed and viable infrastructure investments in industrial parks water, energy, roads, ICT and rail.

4.4. Summary of Sectoral Outcomes

Each national outcome is derived from sectors‘ development strategies and consists of a number of sectoral outcomes which are a responsibility of the various MDAs. Some of these are already under implementation and others programmed for the Plan period. In line with this, the Plan aims to achieve the following national outcomes based on committed implementation of strategic programmes at sectoral level.

Table10: Key NDP Outcomes & Issues

NATIONAL OUTCOME	KEY DEVELOPMENT ISSUES	SECTORAL OUTCOMES
Good Governance, Economic Recovery and Fiscal Stability	▪ Economic management, ▪ Public finance management ▪ Anti-corruption ▪ Planning and budgeting ▪ Role of government in the economy	▪ Sustainable and inclusive growth ▪ Stop the bleeding : fiscal crisis stabilised ▪ Improved fiscal expenditure management ▪ Risks on the resource envelope mitigated ▪ Clarity on the role of the public sector restored
Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth	▪ Business environment ▪ Agriculture and high value crops ▪ Value addition and processing ▪ Trade and regional integration ▪ Innovation, research and development	▪ Re-Engineered economic growth for recovery ▪ Strengthened business environment ▪ Increased employment- stimulating investment ▪ Dynamic entrepreneurship and MSMEs fostered ▪ Modernised agriculture for increased production and value addition ▪ Climate smart investment ensured
Enhanced Social and Human Capital Development	▪ Education ▪ Health ▪ Agriculture, food security and nutrition ▪ Safe drinking water, sanitation and hygiene ▪ Social cohesion and national unity ▪ Youth empowerment ▪ Shelter/housing ▪ Gender and vulnerable groups ▪ Poverty reduction ▪ Social safety nets	▪ Improved access to quality health and health- related services ▪ Improved access to quality, relevant and inclusive education and lifelong learning opportunities ▪ Improved management and access to safe drinking water. sanitation and hygiene ▪ Enhanced food security and nutritious food ▪ Reduced poverty rates in all its forms ▪ Enhanced social cohesion and national unity ▪ Youth and other vulnerable groups empowered with adequate skills and opportunities ▪ Improved and well-targeted social protection services ▪ Improved decent housing for vulnerable emaSwati

NATIONAL OUTCOME	KEY DEVELOPMENT ISSUES	SECTORAL OUTCOMES
Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law	▪ Provision and quality of government services ▪ Public sector reform – modern, efficient, effective, honest, productive; accountable and transparent ▪ National security and public safety, peace and stability ▪ Separation of powers and roles ▪ Rule of law and human rights ▪ ID registration as an enabler ▪ Decentralisation	▪ Transformed public sector to be an efficient, productive, dependable and modern service provider ▪ A secure and safe country and living environments for urban and rural communities ▪ Strengthened implementation and enforcement of human rights, law and order and constitutionalism ▪ Enhanced service delivery with focus on improving citizens livelihoods ▪ Developed rural communities
Well Managed Natural Resources and Environmental Sustainability	▪ Natural resources management ▪ Climate change ▪ Environmental management ▪ Disaster risk management ▪ Waste disposal and management	▪ Improved access to safe drinking water, water resources management and sanitation ▪ Improved land governance, land use planning and management ▪ More equitable, inclusive, sustainable and appropriate management of natural resources ▪ Improved national and community resilience to climate change impacts and disasters risks ▪ Clean and safe environment and sustainable use of natural resources enhanced ▪ Strengthened the enabling environment for green growth
Efficient Economic Infrastructure Network and Innovation	▪ Construction and maintenance of infrastructure ▪ Water ▪ Energy ▪ Information Communication Technology ▪ Roads, rail, aviation ▪ Urbanisation and housing	▪ Upgraded physical infrastructure to enhance access and connectivity to support socio-economic development ▪ Improved coverage, quality, reliability and affordability of digital infrastructure and services ▪ Improved coverage, quality, reliability and affordability of digital infrastructure and services ▪ Established sustainable secure, clean and affordable energy sourcing to support growth ▪ Strengthen water services sector to build resilience

CHAPTER 5
Good Governance, Economic Recovery and Fiscal Stability

National Outcome 1 - Good Governance, Economic Recovery and Fiscal Stability	Sectoral Outcomes	Strategies
	1 – Sustainable and Inclusive Growth	1. Develop a climate-smart and green growth strategy 2. Implement economic diversification and value addition 3. Harness technology to address low productivity constraints
	2 - Stop the Bleeding: Fiscal Crisis Stabilised	1. Implement the mixed strategy fiscal adjustment plan for reduction and prioritisation of expenditures 2. Strengthen controls on commitments extra-budgetary expenditures 3. Explore alternative sources of revenue generation 4. Explore other sources for financing 5. Eliminate arrears accumulation 6. Pursue zero tolerance on corruption
	3 - Improved Fiscal Expenditure Management	1. Align capital and recurrent expenditures to NDP targets 2. Strengthen public finance management processes and budget controls 3. Stabilise the public wage-bill and contain recurrent expenditures 4. Review parastatals to reduce subventions and increase dividends 5. Improve quality of the public investment programme (capex) 6. Enhance budget planning, monitoring and information systems
	4 – Risks on the Resource Envelope Mitigated	1. Enhance domestic revenue mobilisation as well as the management and administration of SACU receipts 2. Stabilise public debt and managed debt servicing cost 3. Enhance cash-flow planning and management 4. Mitigate external and financial risks and maintain reserves buffer
	5 - Clarity on the Role of the Public Sector Restored	1. Review and clarify the roles and mandates of ministries, departments and parastatals 2. Evidence-based policy making to drive resource utilisation decisions 3. Examine government's approach to market interventions 4. Improve coordination and dialogue amongst stakeholders

The Eswatini economy has struggled with stagnant growth for more than a decade and this has translated into severe fiscal challenges as the fiscal deficit has averaged 6.2 percent of GDP since the 2015/16 financial year. Moreover, the onset of the COVID-19 pandemic further exacerbated the already dire situation by sinking the economy into a historic recession and putting pressure on the fiscal position already characterised by various structural issues. The lingering fiscal deficit has been driven primarily by the fast-growing public expenditures compared to a slow growing total public revenue collection, coupled with volatility shock emanating from SACU receipts. To cover the widened fiscal gap, the government resorted to the accumulation of debt and arrears, with arrears becoming a normal occurrence in the public financial accounts. Although arrears are being addressed, they are on the increase again.

The frail macroeconomic situation is associated with poor public finance management and investment decisions, a weak planning and budgeting system and the multi-sectoral approach not yet applied. Increase in public spending has been sustained despite the fiscal crisis, volatility of SACU receipts and limited scope for increasing the domestic tax base. This has exposed the economy to unparalleled shocks because of the heavy reliance on public sector for economic activity in the country. This state of affairs has led to growing inefficiencies in government service delivery.

While the COVID-19 pandemic derailed any progress implementation of the NDP as resources were diverted towards combating the spread of the virus, however, there was a silver lining. Government used the opportunity to commit and implement the fiscal adjustment plan. The national development outcomes pursued in the past NDP remain relevant as the country is still faced with the same fundamental challenges and they continue to negatively impact numerous development programmes.

Amongst the most imperative priorities for the country right now is to restore macroeconomic stability, and fiscal prudence in order to stabilise the fiscal crisis - "stop the bleeding", and resuscitate economic growth. This requires a deliberate effort by government to develop a growth strategy as a policy measure, which will focus on eradicating all the structural bottlenecks that inhibit growth as well as streamlining the growth drivers in the domestic economy. On fiscal prudence, the fiscal crisis needs to be stabilised through the execution of a mixed strategic fiscal adjustment plan focusing on both expenditure cuts and revenue mobilisation. The fiscal deficit will be reduced and debt stabilised thus bringing the fiscal position to a sustainable trajectory. It is essential to improve expenditure management controls with zero-tolerance on corruption, diversify the resource envelope as well as clarifying the role of the public sector in order to improve on the coordination across the government. All these will be achievable within the next 3 to 5 years in order to stimulate long-term economic growth as well as bringing stability and credibility in public finance management.

The ultimate goal of this national outcome is to resuscitate economic growth through the creation of a stable public sector that invests optimally towards achieving developmental outcomes and also that facilitates private sector growth. Through 'good governance, economic recovery and fiscal stability', together with an 'enhanced and dynamic private sector supporting sustainable and inclusive growth', the country will be able to provide sustainable economic resources for social and human capital development programmes, infrastructure development and environmental sustainability.

Sectoral Outcome 5.1 – Sustainable and Inclusive Growth

The Eswatini economy has been experiencing stagnant growth since the early 2000's and continues to be concentrated in a few sectors. Eswatini is a small and open economy which is export-oriented with a majority of its products concentrated in the RSA market – accounting for an average of 69 percent of exports and 74 percent of its imports. This has made the economy heavily dependent on the performance of the RSA economy as the major trading partner. The country's export base has remained rigid for some time with 5 products namely miscellaneous edibles, sugar, textile, forestry and food processing accounting for 91 percent of total exports.

The lack of economic diversification combined with low levels of value addition has left Eswatini exposed to numerous external shocks. It is exposed to changing market dynamics and increasingly to climatic shocks such as droughts and floods. Capital investment has diminished with gross capital formation having fallen from 23.5 percent in 2000 to 12.8 of GDP in 2020. In order to mitigate against the economic growth challenge, the government has to intentionally invest in a long-term growth strategy that complements the existing fiscal and monetary policy initiatives, and guarantees sustainable and inclusive development. Identified as a priority are investments in key sectors such as energy, water, transport and agriculture. Since these sectors are vulnerable to climate change, mitigation and adaptation measures will be adopted to help achieve a low carbon and climate resilient growth pathway for Eswatini.

The envisaged growth strategy will propose a new growth model to take into consideration current bottlenecks including structural issues and constraints inhibiting the country from realising its growth potential. To take the country forward and offer solutions. Vigorous analytical work underpinning the new growth strategy will be imperative, and should: (i) identify new sources and catalysts for growth that can quickly create jobs and deliver a substantial boost to Eswatini's GDP in the short to medium term while also laying the foundation for higher long-term sustainable growth; (ii) clearly articulate specific reforms that can be adopted to spur growth and transform the Eswatini economy towards economic diversification, inclusive and sustainable growth; and (iii) identify potential areas to harness the demographic dividends, absorb the youth bulge and tackle poverty. An all-inclusive growth strategy to exit from the middle-income trap is required

Key Sectoral Outcome Targets	▪ Target an annual GDP growth of 5 percent at the end of Plan period. ▪ Increase agricultural value addition to contribute 15 percent of GDP. ▪ Increase manufacturing value addition to contribute 40 percent of GDP.

Strategy	**Programmes / Intervention**
Strategy 1 – Develop a climate-smart and green growth national strategy	▪ Identify the policy bottle-necks that stifle growth through an evidence-based climate and environmental impact assessment ▪ Identify key sectors which have been growth drivers for the economy ▪ Develop direct interventions to promote and make those sector competitive ▪ Integrate climate change, environmental and disaster risk management into the national development planning processes and across all developmental sectors and programmes
Strategy 2 – Economic diversification and value addition	▪ Undertake a comprehensive diversification study that will identify sectors with comparative advantage and develop support mechanisms for them ▪ Invest in product diversification programmes that support agricultural value addition and value chains ▪ Protect deserving new domestic industries for a certain time period in order to grow (no perpetual protection) ▪ Explore and diversify potential regional markets and leverage on markets where there is preferential treatment

Strategy 3 – Harnessing technological advancement	▪ Invest on research and development to increase productivity and product variety. Harness productive technology to bolster production, and automation of some activities/activities to promote efficiency and productivity ▪ Harness technological innovations to increase domestic production key sectors such as energy, agriculture, environment, tourism, forestry as well as enhancing food security ▪ Invest in ICT infrastructure to support these new technologies

Sectoral Outcome 5.2 – Stop the Bleeding: Fiscal Crisis Stabilised

The current fiscal position has become unsustainable and poses a great threat to the economy at large and to government programmes. Arrears accumulated have put some private sector service providers into impoverishment. Cashflow challenges have intensified leading to the drawdown of reserves to finance government operations. Gross official reserves were boosted by budget support receipts and maintained within the international benchmark of 3-months of import cover, but consistently below the regional target of 6 month of import cover required by the SADC convergence committee. The situation has been further exacerbated by extra budgetary spending. Nonetheless, the 3-year fiscal adjustment plan is anticipated to improve with the fiscal deficit reducing it to less than 2 percent of GDP by end of the adjustment plan.

Revenue mobilisation measures are estimated to contribute 0.6 percent of GDP while expenditures are proposed to be curtailed by 4.2 percent of GDP in the reform period. Proposed reforms under revenue enhancement include increasing the basket of VAT products by including eggs and dairy products, VAT on electricity, improving administrative efficiencies for some taxes as well as increasing fuel tax. Whereas the proposed measures for expenditures are expected to reduce both recurrent (wage bill, goods and services as well as transfers) and capital expenditures. Specific to the wage bill is the use of alternative service delivery mechanisms for some services, hiring freeze and abolishment of redundant posts, and a cost-of-living adjustment below inflation. On transfers, the proposed measures include implementing the Cabinet decision to reduce the number of state-owned enterprises by merging and privatising some of them. On goods and services, the adjustments undertaken are efficiency measures through cost cutting measures and the termination of trading accounts. On public investment programmme, much emphasis has been placed on the completion of ongoing projects with limited scope for starting new big projects. Lastly, government has to get a clamp-down on corruption by bolstering its legal frameworks and institutional arrangement as well as educating the general public on corruption.

Key Sectoral Outcome Targets	▪ Fiscal consolidation and no further accumulation of arrears at the end of 2027 ▪ No un-financeable budgets passed ▪ Public debt stabilised at 38% of GDP with FAP, and ultimately to 35% of GDP in 2027 ▪ Reduced global perception corruption ranking from 122 to 80 out of 180 countries at the end of Plan period

Strategy	**Programmes / Intervention**
Strategy 1 – Expenditure prioritisation and cuts	▪ Ensure success of the FAP by cutting both recurrent and capital expenditures by 4.2 percent of GDP in a period of 3 years (FAP)

	▪ Maintain hiring freeze and award a cost-of-living adjustment below/at par with inflation ▪ Implement the early voluntary retirement scheme to reduce the public service headcount ▪ Prioritise completion of ongoing capital projects with limited scope for new projects. New project financing to be based on feasibility, viability and expected socio-economic benefits and not politically ▪ Curb transfers to parastatals by exploring which are eligible for merging or privatisation – expedite ESEPARC study implementation ▪ Abolishment of trading accounts to have a fixed allocation
Strategy 2 – Strengthen controls on commitments and extra-budgetary expenditures	▪ Strengthen the implementation of comprehensive commitment control system by capacitating institutions such as Eswatini Public Procurement Regulatory Agency (ESPPRA), the Eswatini Government Tender Board (GTB), Office of the Accountant-General, internal Audit and Office of the Auditor-General. ▪ Ensure that the total value of tenders granted is within available resources. ▪ Increase coordination between key budget ministries ▪ Develop further monitoring processes and controls over extra-budgetary expenditures ▪ Investigate current procurement process to highlight problem areas ▪ Integrate climate change into the national budgeting process, by introducing a system for functional budget tagging of climate change expenditures.
Strategy 3 – Implement equitable short-term revenue generation measures	▪ Increase revenues by 0.6 percent of GDP in a period of 3-years (FAP) and investigate further revenue generating measures along with impact analyses while assessing benefits of collecting particular revenues e.g. graded tax ▪ Pass the Finance Bill to boost revenue enhancement measures but ensure protection of the poor and vulnerable, avoid distortions ▪ Tap into global financial funds (Green Climate Fund, Education Fund, Global Fund) ▪ Meet precedent conditions to gain continued access to current Global Funds (e.g. MCC) ▪ Modify tax legislation and policy to ease burden on low-income individuals, re-consider tax exemptions including list for VAT and no to 100% exemption
Strategy 4 – Explore other sources of financing	▪ Selectively sell off some government assets to build revenue base, however, managing prudently base for future revenue flows ▪ Increase engagement with lenders and build lender confidence and engage external partners and international organisations for budget support ▪ Build human and institutional capacities to access international and regional sources of climate finance ▪ Utilise lending only for the intended purposes and basically for investments
Strategy 5 – Implement arrears clearance strategy	▪ Strengthen and operationalise the arrears clearance strategy by stocktaking and verification of arrears ▪ Implement the payment plan developed for clearing of arrears and prioritise repayment of arrears to stimulate economic activity ▪ Negotiate with suppliers on how to smoothly clear arrears that government owes that includes tax obligations and interest deductions
Strategy 6 – Endorse and implement the draft National Anti-corruption Strategy of 2007	▪ Strengthen oversight and anti-corruption measures by establishing a National Forum to address corruption issues, legitimising a whistle-blowing legislation and prioritising corruption as a cross-cutting issue ▪ Sort out and harmonise the legal frameworks between the Anti-Corruption Commission and the Human Right Commission

	▪ Revise the draft National Anti-corruption Strategy to conform to international standards and practice. Then adopt and execute it.

Sectoral Outcome 5.3 – Improved Fiscal Expenditure Management

The prevailing fiscal situation highlights pre-existing issues on long-term economic malpractices and poor execution of public expenditures, as well as lack of centralised oversight and controls. The current situation demands close scrutiny of budget items, alignment with the NDP priorities and adherence to budget ceilings. However, it is done as a routine operational process with quality of expenditures a big concern. In some areas, commitments are made on behalf of government without central authority's knowledge and approval. These issues among others have all resulted in expenditures that are not coordinated to effectively accomplish the country's goals. Worsened by the execution of an unbalanced budget where the wage-bill makes up a far higher proportion of the budget, than most other countries in Sub-Saharan Africa. Finally, the current budget approach allows for a situation in which non-representative groups can have more influence and an environment where corruption is more extensive.

The full operationalisation and enforcement of the Public Finance Management Act (#10 of 2017) and the re-introduction of national development planning are to promote accountability and transparency, and can provide solutions to addressing misalignments issues between the budget and NDP. More precisely, budget planning and expenditure allocations will be based on NDPs and sector development strategies, and cohesion across expenditure lines should be developed through top-down strategies. The PFM process will be strengthened across all areas, including improving budget discipline and commitment controls. Expenditure items must be curtailed, with the sole objective to contain the public wage-bill as well as by addressing the rising transfers to parastatals, combined with low dividend remitted by commercial parastatals. Further, the effectiveness and efficiency of public investment programme can be optimised by ensuring that feasibility and impact assessment analysis are conducted and that the projects support broader strategies and sector plans. Finally, there are programmes that can greatly improve the planning, budgeting and monitoring processes.

Key Sectoral Outcome Targets	▪ National budgets aligned to the NDPs and identified priorities ▪ Utilisation of the macroeconomic framework as the source for MTFF and budgeting process setting the limits and indicating the performance of key macro indicators ▪ Fiscal deficit brought into a fiscal surplus by 2027/28. ▪ Sum of wage-bill and transfers brought to under 45% of total expenditures by 2027/28. ▪ Appraisals for all future capital expenditures and only projects with a positive net benefit to be accepted and financed.

Strategy	**Programmes / Intervention**
Strategy 1 – Capital and recurrent expenditures to be guided by National Development Plans	▪ National development planning to guide future budgeting, along with annual budget allocations in line with NDP priorities and updated SDPs ▪ Promote transparency and accountability in the utilisation of national resources ▪ Implement PIMA recommendations - full costing and prioritisation of all potential programmes. Strengthening coordination and systems in Sectoral Unit ▪ Strengthen coordination of capital expenditures and recurrent expenditures.

	▪ Approve and implement Arrears Clearance Strategy to gradually eliminate outstanding arrears and minimise new ones
Strategy 2 – Strengthen public finance management processes and budget controls	▪ Ensure that the Medium term fiscal framework (MTFF) is taken from the macroeconomic framework (MEPD) since it is a component and to draw linkages with performance of other macro indicators ▪ Formalise and strengthen the Planning and Budgeting Committee to fully operationalise and enforce all Public Finance Management Act of 2017 regulations ▪ Strengthen controls on releases and expenditure commitments to conform to the budgetary limits and MTFF, and restrict ability of ministries to reallocate funds ▪ Centralise budget controls to be managed by the Ministry of Finance to create efficiencies and greater controls in procurement and operationalising the IFMIS; ▪ Utilise the NDP to establish national and sectoral priorities for budgeting and to establish fiscal objectives and ceilings ▪ Operationalise the Single Treasury Account ▪ Create efficiencies and greater controls in Government procurement ▪ Improve on the coordination with development partners through strengthening of ACMS as well as reporting and oversight of donor funded projects ▪ Increase engagement and critical evaluations by stakeholder and other ministries/departments of proposed interventions ▪ Undertake changes of interventions where the costs are outweighing the benefits or where the intervention is not achieving its intended purpose
Strategy 3 - Re-balance expenditures and reduce size of wage-bill	▪ Review pay structure of public sector to reward high performance and retain critical professional staff ▪ review organisational structures and carry out the restructuring of ministries, departments and agencies where efficiencies can be created ▪ Apply the PMS to improve human resource management in public sector to identify poor and excellent performers and reward accordingly ▪ Re-introduce early retirement schemes ▪ Review allowances and government housing benefits to incentivise public servants but within prudent budgetary measures
Strategy 4 – Review the significance of parastatals with the aim of decreasing subventions and increasing dividends	▪ Comprehensive review of all parastatals to assess their effectiveness and efficiency in achieving their mandates ▪ Merge parastatals with similar mandates and privatise where possible or revert to ministries as departments where appropriate. Consider privatisation of some commercial parastatals ▪ assess the capacity of parastatals to pay dividends to central government and ensure they comply ▪ Consolidate parastatal debt obligations to assess all government debt portfolio and measures for overall debt management ▪ Implement the recommendations of PEs review strategy with the aim of decreasing subventions and increasing dividends
Strategy 5 - Optimise public investments (capital expenditures)	▪ Conduct detailed feasibility studies and appraisals of all capital projects including donor funded, to ascertain returns on investment and to align investment with outcomes and impact ▪ Re-orient capital expenditure to focus on higher impact and higher return projects in order to qualify for budget allocation

	▪ Improve implementation and management of capital projects by ensuring that the budget is not spread thinly but focus on few key projects to be effective and efficient ▪ Ensure that capital expenditure allocation is detailed with recurrent expenditure implications so that investments are properly planned, budgeted for maintained and utilised optimally (Form 1A) ▪ Strengthen tendering process for capital projects to select competent contractors to implement within time and pricing correctly ▪ Engage potential donors to attract funding towards desired development projects associated with development plans and Masterplan ▪ Develop IT based capital planning, budgeting and monitoring systems ▪ Monitor and evaluate completed projects to establish their socio-economic impact
Strategy 6 – Align planning and budgeting process to the macroeconomic framework to Improve budget planning, monitoring and information systems	▪ Approve and operationalise PFM Act Regulations and align activities with the Act and Regulations ▪ Produce and adopt a macroeconomic framework as a prime activity for planning and budgeting ▪ Build capacity for forecasting and macroeconomic frameworks by strengthening the macroeconomic division ▪ Strengthen Macro-fiscal Working Group and increase coordination and linkages between relevant agencies and increase technical capacity for forecasting and budgeting ▪ Implement fiscal policy and programming tool and the integrated Financial Management Systems (IFMIS) and Single Treasury Accounting System to improve the PFM ▪ Develop information systems as well as M&E systems to assess progress and impact of programmes ▪ Implement commitment control measures highlighted in strategies above

Sectoral Outcome 5.4 – Risks on the Resource Envelope Mitigated

SACU receipts form an integral part of the government's source of revenue collection, however, they are volatile and have been declining as duty rates became unstable with increasing trade liberalisation. However, these receipts predominantly depend on import duties collected from the SACU member states, and are shared amongst countries using a revenue sharing formula. This has posed serious cash-flow challenges as historical increases in obligatory expenditure have grown in line with SACU receipts. A sharp drop in SACU receipts led to a fiscal crunch requiring debt to cover the fiscal gap. The public debt stock has increased drastically to fill this gap. The rising debt levels bring new risks and obligations to the country, while depleted reserves leave the country exposed to shocks and place the peg to the Rand in jeopardy.

Government has to increasingly rely on generating domestic sources of revenue to fund permanent recurrent expenditures, while channeling SACU revenues towards short-term obligations. Further measures need to be taken to reduce the volatility in SACU receipts, and Government has decided to establish a stabilisation fund. Given the rising debt-levels and interest payment-obligations, there is a much greater need to establish improved debt management measures, to focus on debt-sustainability and ensure that future debt is only committed to a specific justifiable purpose/obligation. The government will take a long-term view to cash-flow management of future expenditure commitments and likely future risks. Finally, maintaining an adequate level of reserves will remain a priority to mitigate risks, as well as ensuring a sound monetary system is retained.

Key Sectoral Outcome Targets	▪ SACU receipts to make up less than 30% of total revenues by 2023/24, from 35.2% in 2021/22. ▪ SACU receipts stabilisation fund established by FY 2023/24. ▪ Total public debt stock maintained at or below 35% of GDP at end of FY2027/28. ▪ Gross official reserves accumulated to above 3 months of import cover annually. ▪ Inflation maintained to within the Common Monetary Area target of 3-6%.

Strategy	**Programmes / Intervention**
Strategy 1 – Domestic revenue generation strengthened including improved management and administration of SACU receipts	▪ Assess current and potential tax systems for more optimal ways to maximise revenues including possibility to increase tax-base and graduating some of the current informal sector activities ▪ Review tax exemptions and concessions and measures to increase efficiency and effectiveness of tax collections ▪ Implement strategies from National Outcome 2 to boost economic growth ▪ Improve on accountability, transparency and effectiveness of government expenditures to assess benefits from spending ▪ Implement quick-revenue generating measures discussed in the first sectoral outcome boosting growth ▪ Establish a stabilisation fund and utilise it to fund specific development projects ▪ Utilise the competence of local SACU Task Team to bolster Eswatini's positions on SACU issues when engaging the SACU Secretariat and forecast scenarios and plan for potential repayment risks ▪ Investigate measures used in other countries to balance volatile revenue sources
Strategy 2 – Debt management and sustainability	▪ Establish a cordial relationship with financiers to gain access to favourable conditions with possibility to explore alternative external lending markets ▪ Develop a debt management strategy and ensure its implementation, and consistently conduct debt-sustainability analysis ▪ Build capacity to improve debt management ensuring that new debt acquired contributes towards achieving key objectives ▪ Analyse risks of excessive domestic borrowing and avoid crowding out the private sector (e.g. pension funds and investment agencies) ▪ Ensure that debt-servicing obligations are kept at prudent and manageable level and are adequately planned for
Strategy 3 – Enhance cash-flow planning and management	▪ Finalise and operate in full the Integrated Financial Management Systems (IFMIS) for the execution of the national budget ▪ improve on cash-flow management measures through enhancing detailed and longer-term cash-flow and budget planning, including improved forecasting ▪ Improve coordination between stakeholders for greater oversight over potential future obligations including expenditure and debt management
Strategy 4 – Mitigate external and financial risks and maintain reserves buffer	▪ Maintain gross official reserves above 3 months of import cover ▪ Maintain inflation to within 3-6% target band ▪ Support FSRA and Central Bank in maintaining a strong financial sector and continue to improve regulatory framework in financial sector by reviewing financial sector and related regulations regularly

	▪ Build essential food reserves for food security purposes and reduce external shocks

Sectoral Outcome 5.5 – Clarity on the Role of the Public Sector Restored

The public sector continues to have a significant footprint in the domestic economy with some private sector entities largely reliant on what is happening in the public sector for economic activity, as opposed to private sector taking the lead to support growth. In some instances, the public sector has been observed to be competing and crowding out the private sector development. The re-valuation of public sector participation is necessary to warrant if it is still relevant and address the desired need effectively across all sectors. It is also time to re-evaluate institutional arrangements in terms of the numbers of ministries, fully considering the increasing duplication, overlaps and competition amongst MDAs. Precisely, a similar study to the SoEs should be undertaken to determined their relevance and effectiveness in fulfilling their key mandates, and restructure to cut down on the number of ministries. Government has to establish a strong coordination mechanism for policy, programmes and activities. The duplication and overlaps are causing confusion and weakening the public service delivery system.

Research and development to inform evidence-based policy making still remains a critical area for government, to fully comprehend the long-term or short-term trade-offs that a policy decision might have on the development agenda being pursued and on society. The deficiency in evidence-based policy planning and implementation across the public sector has often rendered policy making ineffective. Made worse by poor assessment of policy impact mainly driven by weak monitoring and evaluation culture. Large public investment projects into which government ventures should be appraised and selected with caution to ensure they have a multiplier effect on the economy and stimulate long-term growth. If key objectives are no longer attainable, these projects should be re-evaluated and re-purposing considered instead of letting them go idle or achieve less than expected.

Government intervenes to create an enabling environment, as a facilitator, regulator and to address market failures and bottlenecks which are affecting private sector operations, groups and individuals. Interventions are to improve lives of people who are disadvantaged and ensure that their livelihoods are improved. However, sometimes the cost of the intervention has welfare losses for the people, where a softer approach would have been more effective, cheap, less risky and often more effective. Therefore, it is essential for government to invest in systems and capacity to be able to assess performance, benefits and risks.

Greater stakeholder engagement is essential and assists to get their inputs to identify any desired policy changes, clarify the roles of all parties in given situations and improves coordination between parties to better accomplish development goals. There is a potential to collaborate on policy and programmes implementation with development partners, private sector players, traditional leaders and communities, youth, media as well as other potential stakeholders in order to achieve these developmental targets.

Finally, there is a need for the government to address the legal frameworks and institutional arrangements to curb corruption and promote transparency in service delivery. The Plan advocates for a changing role for the state to improve on engagement with stakeholders and be more of an enabler, facilitator and regulator, gradually allowing for an increased role for the private sector in the market.

Key Sectoral Outcome Targets	▪ Reduce the number of SoEs to 30 by end of plan period (FY 2027/28). ▪ Promote evidence -based policy formulation and implementation ▪ Government to improve on coordination and collaboration with different stakeholders

Strategy	Programmes / Intervention
Strategy 1 – Review and clarify the roles and mandates of ministries, departments and parastatals	▪ Reduce the number of ministries and parastatals by reviewing roles and mandates of all ministries, departments and parastatals ▪ Implement the recommendations of the restructuring study of state-owned enterprises which may results in merge, privatisation and return to departments of entities make savings and regain efficiencies ▪ Carry out cost-benefit analyses of maintaining entities where issues are highlighted
Strategy 2 – Evidence-based policy making to support improved development planning and budgeting processes	▪ Invest in public sector research and development (R&D) to influence policy and support for Eswatini-specific policy research ▪ Further capacitation of policy makers and officials to utilise and develop evidence-based in the design of policies ▪ Utilise NDP and sectoral development plans for programming and budgeting of interventions ▪ Collaborate with international research institutions to capacitate officials and align research to relevant policy discussions ▪ Investing the development of national statistics, analysis, modelling, systems and ICT to improved development of the capacity of the statistics department and related institutions especially central agencies
Strategy 3 – Examine government's approach to market intervention	▪ Establish a private sector and government forum for consultations and engagement on the business environment and economic opportunities ▪ Evaluate current government's participation in the economy across various sectors and get recommendations on best possible position to bring stimulus in the economy ▪ Spearhead the transformation of the government to be an enabler, regulator and provider of public goods than a direct competitor with private sector ▪ Re-focus national budget recurrent and capital expenditures on national development priorities to ensure multiplier effects on the economy with long-term and sustainable growth prospects
Strategy 4 – Improve coordination and dialogue amongst stakeholders	▪ Promote dialogue between stakeholders and establish further coordination mechanisms ▪ Establish strong partnerships with civil society, development partners and communities to enable policy dialogue, coordination of programmes, implementation and monitoring of performance ▪ Ensure the utilisation of e-Government measures to improve consultation with stakeholders to promote policy dialogue and consultations in formulation of public policies ▪ Investigate further mechanisms and digital means to improve coordination and consultation between stakeholders ▪ Identify areas in which the private sector can assist in supporting development goals

CHAPTER 6

Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth

National Outcome	Sectoral Outcomes	Strategies
National Outcome 2 - Enhanced and Dynamic Private Sector Supporting Sustainable &Inclusive Growth	**1 –Re-engineering economic growth for recovery**	1. Promote export products diversification - agro-processing and value-chains 2. Secure international and domestic markets and promote target products for those markets giving support to producers 3. Strengthen the ease of doing business for investors to enhance competitiveness 4. Extend support and trade facilitation measures offered to exporters 5. Explore mining possibilities and add value through beneficiation 6. Ensure climate-smart investments
	2 – Strengthened business environment	1. Reduce the operational costs of running businesses for competitiveness 2. Improve the legal and regulatory framework to cut down on costs and improve efficiencies 3. Create a level playing field for all investors by providing same incentive packages 4. Invest in skills development to reduce the skills gap in the economy and meet private sector demands.
	3 – Increased employment-stimulating investment	1. Enhance employability entrepreneurship and income generation for youth 2. Strengthen investments and mentorship for young entrepreneurs by empowering the youth with technological and vocational skills
	4 – Dynamic entrepreneurship and MSMEs fostered	1. Ensure micro-finance schemes are accessible to entrepreneurs 2. Strengthen Government to support MSMEs with mentorship programmes and tax incentives
	5 – Modernising agriculture for increased production and value addition	1. Improve agricultural productivity by including the participation of vulnerable groups – particularly women and the youth in crop and livestock production 2. Establish an integrated agricultural information and management system to facilitate marketing of inputs, products and information 3. Ensure strong business linkages for improved marketing of products and promoting value addition 4. Strengthen administrative and technical capacity of the Ministry of Agriculture 5. Ensure a secured land tenure system to encourage investments in production and productivity 6. Improve commercialisation and competitiveness of agricultural production, agro-processing and value addition 7. Increase the mobilisation, provision, access and utilisation of agricultural finance 8. Promote R&D, early warning systems and adoption of climate-smart initiatives

	6 – Promoting New Foreign Direct Investments (FDI)	1. Optimise tax structure , rates and incentives 2. Market proactively Eswatini as an investment destination 3. Encourage private sector involvement in infrastructure development 4. Investigate and develop further investment vehicles 5. Utilise fully current infrastructure and capitalize on tourism and mining opportunities

At the core of the economic recovery strategy is the desire for economic transformation and growth. This can be made possible by ensuring that the private sector is at the lead for growth, and investments are made into improving productivity and resilience of traditional agriculture - livestock and crop production industries. Overall, achieving economic transformation with visible growth is expected to provide significant progress in creating employment opportunities, reducing poverty and in meeting some of the SDGs. Despite the challenging periods of sluggish economic growth, fiscal crisis and political instability, but the private sector has shown resilient entrepreneurial spirit. Nonetheless, there are structural and governance issues that require attention to open up the business environment, economic growth is needed and more so an economic environment that provides inclusive employment opportunities. For the private sector to be vibrant and competitive it needs modern infrastructure, skilled and healthy workforce, transparent taxation system and a stable political climate. Modern infrastructure includes roads, rail, aviation, water, electricity, ICT and digital infrastructure. These are essential enablers for economic expansion, efficient public service system, social inclusion and growth.

Agriculture has been the main source for growth and the ultimate goal to modernise agriculture is to ensure increased agricultural contribution to real GDP, transform subsistence agriculture to commercial farming and increase productivity, diversify agriculture, and increase investments into agricultural support programmes. These will in turn lead to increased export base, import substitution, improved food self-sufficiency, food and nutrition security and reduced poverty levels. For these to be achieved, the sector shouldn't ignore some of the emerging issues like the COVID-19 pandemic and especially focus on building resilience to and adapting to climate change impacts.

It is the aspiration in this Plan to address the impediments to private sector development and economic growth. The country has a low product base for exports and huge market concentration. The NDP recognises that Eswatini's lack of diversification is an impediment to development. A holistic diversification strategy will be developed to identify a full range of potential products and markets, to build on the analytical work done by the World Bank[27] which can be regarded as a private sector strategy for Eswatini. The study will complement the envisaged Growth Strategy and assess how to meet the quotas of already existing tariff-free markets which the country has access to. In addition, it will advise on new markets to be explored and how to meet the production and exports requirements as well as address the country's vulnerabilities in order to insulate it from shocks.

Furthermore, government intends to expand networks and rehabilitate existing ones as investments in modern infrastructure enhances national competitiveness, lowers the cost of doing business, improves

[27] Country Private Sector Diagnostics, 2021

logistics services and strengthens trade facilitation mechanisms. The capacity and coverage of water services and digital infrastructure will be expanded with greater emphasis on efficiency and affordability. The security and reliability of the energy supply will be strengthened by addressing both supply-side and demand-side measures. The successful implementation of the strategies outlined will enable Eswatini to achieve its aspirations of achieving economic recovery, improving service delivery to enable vibrancy of the private sector and MSMEs, whilst improving on the quality of life.

Sectoral Outcome 6.1 – Re-engineering Economic Growth for Recovery

Private sector-led growth continues to be at the core of Eswatini developmental agenda, with private sector leading the path towards economic resurgence and the public sector following through with creating a favorable environment for businesses to flourish. Government's active participation in the economy has to be relegated to be an enabler with private sector taking the lead. Economic growth has averaged about 2 percent over the past decade and dependent on a few products. Manufacturing is about 35 percent of GDP on average and is agricultural based. Bolstering domestic production remains a key priority for the economy, whilst considering producing some of the imports locally to boost domestic investment and creation of employment opportunities. Thus import-substitution is a possibility and achievable through the promotion and protection of domestic infant industries.

Despite being endowed with fertile arable land, the country continues to be a net-importer of most agricultural commodities particularly crops and some livestock products. There are idle farms which can be used to enhance domestic agricultural production while creating employment to absorb unemployed youth, thus leveraging on the abundant labour force. Moreover, climatic shocks such as drought and excessive rains have also become a persistent challenge for agriculture, and the private sector has to respond accordingly by investing in innovative adaptation and mitigation solutions, to alleviate both the physical and transition risks that climate change poses to business operations and supply chains. This may include making investments in climate-resilient infrastructure, and integrating climate change into business strategies and climate-proofing supply chains.

Eswatini can increase productivity of key sectors especially in agriculture – high value crops, beef and sugar, and commercialising SNL agriculture, diversifying the economy from the narrow export base and create a conducive business environment which can attract foreign and domestic investment, as well as create jobs. Diversification may demand sourcing of new markets and government should be able to assist.

The country will gain by opening up to competition in energy, telecommunications and IT sectors thus contributing towards the ease of doing business, lowering utility costs and opening up to privatisation of the state-owned enterprises. Eswatini can deepen regional integration and market expansion as it enjoys a number of favourable trade arrangements such as South African Custom Union (SACU), African Growth and Opportunity Act (AGOA), European Free Trade Area (EFTA), Economic Partnership Agreement, African Continental Free Trade Area (AfCFTA), Common Market for Eastern and Southern Africa (COMESA), Taiwan Cooperation Agreement and others. However, these markets are not fully utilised, with few exports compared to the potential as the country cannot meet market quotas.

Eswatini needs to take full advantage of every available growth opportunity and enhance its competitiveness by improving regional connectivity. This is possible through strengthening logistics and trade facilitation to ease cross-border trade and enjoy regional integration benefits, tapping into agricultural potential, securing water and energy supplies considering the expiry of the agreement with ESKOM in 2025.

Within the domestic economy there still lie opportunities where private sector can play a leading role to drive the economy. New export products will be identified, particularly where Eswatini has strengths and competitiveness.Barriers and risks to exporting companies will be addressed, specifically by reducing the financial risks, assisting in meeting stringent standards requirements, and by improving information availability. The country will build up the knowledge that potential buyers have of Eswatini as a trading partner, while boosting the reputation of the country's products. The country already ranks very high in terms of trading across borders and improving this standing should continue to be a focus, while also not neglecting the domestic side of trading logistics. In order to protect growing export-industries, the country must be prepared to quickly respond to international shocks.

Key Sectoral Outcome Targets	▪ A Growth Strategy in place to guide investments geared towards stimulating growth above 5%. ▪ Nominal export growth of at least 12% per year on average ▪ Regional trade outside the SACU region to increase by 5% per annum on average

Strategy	Programmes / Intervention
Strategy 1 – Diversify product base by developing on agro-processing strengths and value-chains (agri-business)	▪ Develop a comprehensive Diversification Strategy to complement the Growth Strategy and build on the private sector diagnostics work done by the World Bank ▪ Strengthen livestock breeding and improvement programmes – beef products ▪ Promote investment towards processing of crops and livestock products into finished products in the value chain taking full advantage of new trade deals to boost current product base ▪ Optimise regional integration opportunities by supporting cross-border linkages into regional and global value chains ▪ Review legal and regulatory framework to conform to international market (including environmental) standards to allow current opportunities to be harnessed ▪ Review Single Industry Borrower Limit regulations to allow for more credit to agriculture sector

Strategy 2 - Extend support and trade facilitation measures offered to exporters	▪ Implement policies on quality and standards and capacitate businesses on how to meet export requirements ▪ Improve infrastructure including laboratories to test and certify quality standards for exports in order to meet market requirements ▪ Examine limitations of current government financing schemes and explore alternative financial products and export insurance models that could support exporters ▪ Promote co-operatives as alternative options for accessing finance ▪ Engage financial institutions to establish minimum risk (including climate-related risk) credit products ▪ Increase awareness and accessibility to available government financing schemes for MSMEs ▪ Improve small-scale loan guarantee scheme to be accommodative of graduate enterprise programme
Strategy 3 – Increase marketing of Eswatini products internationally and locally	▪ Invest in effective marketing of Eswatini and products where it has a niche and comparative advantage ▪ Identify international markets which have a potential to purchase competitive Swazi products and brands. ▪ Assess import products to identify those products which can be produced locally (import substitution) and generate economic activities and employment opportunities ▪ Utilise opportunities to showcase local products in local and international trade fairs ▪ Improve access to competent laboratory inspections, calibration and certification services ▪ Leverage on embassies to promote trade and investment of Eswatini products
Strategy 4 – Strengthen the ease of doing business for investors to enhance competitiveness	▪ Invest in trade facilitation measures to speed up processing at the borders by ensuring 24-hour operations ▪ Improvement of border infrastructure including technological innovation to reduce costs and increase speed of compliance systems at border ▪ Invest in upgrading quality of domestic transport infrastructure by investing into rail networks to ease pressure on roads and have regular maintenance ▪ Increase efficiency of exchange control regulations ▪ Increase financial inclusion for cross-border traders to enable seamless financial transaction. ▪ Improve cross border financial infrastructure by development of Fin-Tech for cross-border transactions
Strategy 5 – Explore mining possibilities and add value through beneficiation	▪ Rework a legislative framework for transparent, safe, scientific and sustainable mining and, effective policy and regulation ▪ Strengthen mechanisms for regulation of mining and curbing illegal mining ▪ Strengthen the administration and management of Geological Mines and Survey agency ▪ Ensure human resource development and capacity building for central and state government and other stakeholders.
Strategy 6 – Climate smart investment	▪ Integrate climate change and environmental management measures in private sector investments, infrastructure and operations to build resilience ▪ Adopt modern technologies and practices for waste disposal and management

	▪ Develop innovative financial and non-financial mechanisms to mobilise private sector investment including blended financing for green growth ▪ Enhance domestic and international sources of climate financing and seek out opportunities for climate finance ▪ Include climate change and environmental risks into private sector financing as well as the integration of sustainability considerations within their operations and line of credit ▪ Monitor and track private sector climate-related spending across all relevant finance flows

Sectoral Outcome 6.2 – Strengthened Business Environment

According to the Company Survey Report for 2021, apart from the emerging issues such as the advent of COVID-19, the top 5 leading constraints faced by the private sector locally are: the regulatory framework, government inefficiencies, competition, cost of utilities and tax issues. Eswatini ranking in the ease of doing business indicator has slipped from 117 out of 190 in 2018 to 121 of 190 in 2020 (World Bank, 2020). Nonetheless, there have been huge positive strides made to reduce the cost of internet domestically as data costs for 1GB went down from E230 in 2017 to E99 in 2021, and the country's ranking improved from 43 of 51 countries in 2019 to 30 of 51 countries in 2021 (ICT Africa, 2021). Despite the improvements, the country remains to have the highest data costs amongst its regional peers. Business registration time is significantly reduced from 30 to 3-working days with online platform developed to fast-track the registration processes. Furthermore, some boarder gates are now operational for 24-hours to assist in the flow of goods.

Eswatini is the 121 most competitive nation in the world out of 140 countries[28] but there is room for improvement. Strategies for strengthening the business environment to be competitive are focused on reducing operational costs of running a business including electricity, data and rising levies. Regulatory bottlenecks for private sector in terms of over-regulation or under-regulation will be addressed. Regulatory framework is a low-hanging fruit in the short-term. Linked to the third national outcome, programmes will be targeted at bridging the skills gap to meet employers' demands, enhancing access to finance and business development especially for the youth and MSMEs. The Plan indicates the need for the envisaged private sector development and diversification strategies to be accompanied by a strong skills development component to enable the economy to generate employment opportunities. The final strategies focus on improving the commercial court system and enforcement of contracts, and on speeding up registration processing times.

Key Sectoral Outcome Targets	▪ Improve from number 121 in 2019 to 100 out of 140 countries in 2027. ▪ All commercial borders (4) operating 24 hours, efficiently, technologically innovative and compliant ▪ Investments to reduce skills-gap to 42% by the end of Plan period
Strategy	**Programmes / Intervention**

[28] Ranked in the 2019 edition of the Global Competitiveness Report published by the World Economic Forum

Strategy 1 – Reduce the operational costs of runningbusinesses for competitiveness	▪ Prioritise securing reliable and adequate supplies of energy by investing in renewable sources and reducing reliance on imports ▪ Expand supply by purchasing power from independent power producers (IPP) while balancing pricing and risk considerations ▪ Adjust electricity cross-subsidies to make electricity pricing more cost-reflective and approve zero-rating or VAT on electricity to allow electricity producers to recover their input VAT costs ▪ Derive multi-purpose economic benefits from bulk water infrastructure projects by generating sustainable and clean energy, water for domestic use (potable) and irrigation ▪ Localise water harvesting techniques adopted by businesses, institutions and individual households. ▪ Improve quality and standards for transport infrastructure by investing in climate resilient construction and regular maintenance ▪ Digitalisation and innovation of businesses and government services to improve access to services and cut down in time spent queuing and online operations. ▪ Government to be accountable and considerate of business practices and not to interfere but provide stable, affordable and reliable internet services ▪ Finalise ICT infrastructure blue print, improvement in 4G network coverage, improve on access by finalising the unbundling EPTC and investing in enabling infrastructure ▪ Develop comprehensive PPP policies and legal framework to increase investment in water, power and ICT, while ensuring that government and the country receivesnet positive benefits from these projects ▪ Review levies across the various industries to ensure that they are still applicable and saving their original purpose ▪ Assess the viability of investing in the construction of a strategic oil reserve against volatility in supply and global fuel price increases ▪ Provide measurement traceability to local businesses who trade through measurements
Strategy 2 – Create a level playing field for all investors by providing same incentive packages	▪ Review present regulatory framework across sectors, industries and service providers to establish overlaps, gaps, conflicts and suitability, and identify and make improvements ▪ Enhance capacity of regulatory institutions for continuous monitoring and evaluation of the legislative framework to ascertain performance and alignment with international standards ▪ Expedite passing of outstanding legislation designed to improve business environment ▪ Review legislation on business compliance processes ▪ Establish one-stop-shop for licensing and registrations as well as increasing use of e-Government and digital processes for efficiency and quality of services ▪ Amend the Trading Licences Act in line with the changing business environment ▪ Improve coordination between government agencies and utilise their services to reduce red-tape and bureaucracy, inundation of Boards and cut down on processing time ▪ Draw lessons from other countries, identify areas for improvements, systems, capacity building areas and identify Eswatini's strengths ▪ Ensure compliance with entry requirements before the application of

	the legal and regulatory framework for quality assurance of the service/code of conduct to speed up registration and licensing ▪ Operationalise the national one-stop-shop virtually and physically
Strategy 3 – Invest in skills development to reduce the skills-gap in the economy	▪ Implement the educational strategies in the National Outcome on Human and Social Development and the National Skills Audit Report ▪ Establish minimum wage and reduce wage-rigidities by undertaking an analysis of wages in the public and private sectors to assess whether or not wages in the public sector are, for particular roles excessive ▪ Strengthen education systems to produce quality graduates with appropriate skills and positive attitudes to work; and ▪ Increase opportunities for capacity building and learning new skills
Strategy 4 – Improve on case management by reducing the costs and time associated with commercial court cases	• Quicken the development of an electronic case management system and restructure the court system to have facilities and judges/personnel dedicated to handle commercial related cases ▪ Ensure alignment of laws to the Constitution and international standards ▪ Utilise technology to improve efficiencies, effectiveness of the judicial system.

Sectoral Outcome 6.3 – Increased Employment Stimulating Investment

Eswatini continues to struggle with high unemployment levels and according to the 2021 Labour Force Survey (LFS), the COVID-19 pandemic worsened the situation by displacing a lot of people into joblessness and poverty. The unemployment rate rose by 10 percentage points from 23 percent in 2016/17 to 33.3 percent in 2021, with youth unemployment hiking from 47 percent to 58.2 percent, and most prevalent in the country's industrialised regions - Manzini and Hhohho. Challenges of skills-mismatch has been predominately identified by most industries as an escalating concern for private sector as some industries have oversupply while others are experiencing severe shortages.

The large young population entering the workforce requires an important consideration because of necessary investments to enhance human capital development and build the productivity of the young population. Strategic and deliberate actions need to be taken for economic growth to be inclusive by creating strong backward and forward linkages between sectors and improving on the business climate for companies and MSMEs to drive employment growth. Employing a large number of young people boosts individual incomes leading to reduction in poverty and social tensions. A large opportunity for growth, peace and stability is presented if this opportunity to harness the demographic dividend is taken up, and youth unemployment is reduced. To absorb the large labour supply and reduce unemployment and poverty, agriculture holds a greater potential and it is amongst the labour-intensive industries which requires the human capital to inform production.

The Plan recommends increased efforts towards improving productivity through MSMEs engaged in the production of non-traditional agricultural products, or those that do light-scale manufacturing that have the potential to grow and become significant contributors to economic growth. Improving the business climate through investments in infrastructure and improvements in policy will boost private investment.

Key Sectoral Outcome Targets	▪ Reduced overall and youth unemployment to 20 percent and 30 percent respectively ▪ Increased investment towards vocational training in sectors such as agriculture, renewable energy, construction, services and manufacturing to absorb access labour while adding value.

Strategy	Programmes / Intervention
Strategy 1 – Enhance employability, entrepreneurship and income generation for youth	▪ Strengthen human capital intervention measures investing in the youth to harness the demographic dividends ▪ Develop strategies and programmes for the effective search of employment, improvement of the occupational profile, and professional orientation ▪ Promote the entrepreneurship culture for the youth through appropriate programmes supported by credit schemes and linkages with industries ▪ Deepen the collaboration between agencies responsible for education, training, youth affairs, labour and social security to work together on creating intervention measures and coordinating implementation ▪ Establish the labour information systems: conduct detailed follow up upon the impact of the policies for job generation; and strengthen job-market analysis ▪ Strengthen cooperative development for employment opportunities ▪ Develop and support the creative industry
Strategy 2 – Strengthen investments and mentorship for young entrepreneurs	▪ Review the MSME policy to incorporate mentorship for entrepreneurs ▪ Review the Youth Enterprise Fund and other related financial entities to assess their effectiveness and implement corrective measures ▪ Establish strong mentorship programmes with businesses to groom the young entrepreneurs ▪ Provide regular updated research and market information and provide youth with same incentive package to remain competitive ▪ Fully utilise current infrastructure and capitalise on tourism and agriculture opportunities ▪ Promote entrepreneurship skills in climate smart technologies including renewable energy retail and repair, agriculture value chain, recycling, and community waste solutions ▪ Support and promote investment in the available economic zones ▪ Promote and finance investments into innovative technologies such as the business incubation programmes to enable youth employment creation ▪ Introduce and promote circular economy and put in place incentive measures

Sectoral Outcome 6.4 – Dynamic Entrepreneurship and MSMEs Fostered

Micro Small Medium Enterprises (MSME) play a crucial role in advancing inclusive growth and development in most economies. They have been termed the engine for growth in most developing economies and they play an intrinsic role in employment creation and the promotion of livelihoods. The Eswatini economy is dominated by MSMEs which contributes around 75 percent of total businesses registered in the economy (Ministry of Commerce, 2020). Furthermore, MSME provide 70 percent of the work force and account for 14 percent of household's income (Eswatini MSME Diagnostic survey, 2018).

According to the World Bank (2020) study, in 2015 there were about 16,500 entities, 47 percent of them are formal, and 51 percent informal of which 17.1 percent were licensed to trade and 35.1 percent were without a license. Although the informal sector is large, it accounted for 5 percent of total private sector turnover indicating low productivity, pays not taxes, and reflects the existence of the shadow economy estimated to be 38 percent of GDP. SMEs are hardly profitable, face difficulties in accessing finance, possess inadequate technical, managerial and entrepreneurial skills, have limited innovation, and poor access and use of technologies. These MSMEs (76 percent of total micro enterprises) are predominantly owned by women.

MSMEs are essential in promoting entrepreneurial skills especially for the youth through exchanging knowledge and information about the business environment, and how to identify opportunities, meet quality standards, how to handle challenges and search for markets. For the MSME sector to thrive, it should be boosted through innovation and digital transformation. Most MSME are over-reliant on the public service for economic activity supplying goods and services, ultimately being vulnerable to non-payment as fiscal crisis results in arrears. Establishing an environment where MSMEs and entrepreneurs can flourish will allow Eswatini to take full advantage of the large young population entering the workforce. Moreover, MSMEs can be used as a vehicle to foster innovation through research and development to tap into the digital space. There is greater scope for the country to invest towards automation and digitalisation of services which can be leveraged on through entrepreneurship while creating new industries for the economy.

In order to boost MSMEs, programmes are to be targeted at increasing incentives for MSMEs and reducing the regulatory burden they face, particularly relating to taxes. The National Financial Inclusion Strategy (NFIS) was launched in early 2017, focusing on improving MSME's access to finance and thereby allowing them to take on new opportunities. The government has several support programmes for MSMEs and entrepreneurs which will be rationalised, refined and expanded to ensure that they have the capacity needed to undertake their ventures. The focus is on reducing tax pressures on MSMEs, developing an incentive package and tax options that could promote increased MSME activity. Government will promote MSMEs by providing an incentive package, providing mentorship to young entrepreneurs, reserving certain sectors for local citizens, instilling a quality culture, improving access to credit, securing markets for their products, investing in digital transformation as well as improving transportation and connectivity.

The Plan period will result in government strengthening support to MSMEs in order to capacitate them to sustain themselves amidst the current state of the economy.

Key Sectoral Outcome Targets	▪ Significant increase in number of new businesses started and in survival rate of new businesses especially MSMEs ▪ Supported credit access to MSMEs as an effective capital injection to their businesses ▪ Graduation of small businesses from the informal sector broughtdown to 30% of economy by end of Plan period
Strategy	**Programmes / Intervention**

Strategy 1 – Ensure micro-finance schemes are accessible to entrepreneurs (MSMEs) timeously and at favourable conditions	▪ Review and implement MSME National policy to rationalise and re-capitalise the operation of the small-scale enterprises credit guarantee scheme, and increase awareness of all government schemes available for financing MSMEs ▪ Increase awareness of all government schemes available for financing MSMEs ▪ Encourage micro-finance schemes should support the quality standard initiatives ▪ Investigate further utilisation of financial technology ▪ Amend the Eswatini Development and Savings Bank order ▪ Establish schemes and funds that informal sector can access and expand e-money facilities ▪ Develop micro-financing sector and promote affordable financial product pricing, and target funding for new MSME industries ▪ Promote co-operatives to increase access to financing as well as utilise some of RDF for MSME development ▪ Access global funds to boost MSME growth, including the World Bank's Africa Catalytic Growth Fund
Strategy 2 –Strengthen Government to support MSMEs with mentorship programmes and tax incentives	▪ Simplify tax structure and incentives applicable to MSMEs to stimulate growth, including a potential presumptive tax ▪ Target specific mentorship programmes for special sectors, industries and activities for MSMEs to support business growth ▪ Business mentorship agencies such as SEDCO, JA should collaborate with the financing agencies to have a combined programme of financing and mentoring and hand-hold until they graduate. ▪ Provide support system to the informal sector to enhance their graduation to formal enterprises.

Sectoral Outcome 6.5 – Modernising Agriculture for Increased Production and Value Addition

The agriculture sector is the mainstay sector to the economy contributing about 9 percent of GDP on average (even though it has dwindled over the years), 32 percent of exports and has potential for diversification, productivity and inclusion. It is the source of raw material for industrial development (now third in contributing to GDP) and a source of food to sustain human livelihoods. Agriculture exhibits duality – on one side there are very productive commercial farms which produce sugarcane, livestock and wildlife, and cash crops mainly citrus and cotton for export. On the other hand, SNL has smallholder farmers who are engaged in less productive subsistent rain-fed agriculture. Agricultural production and productivity is generally low. SNL agriculture is prone to land erosion and recently has been sold illegally, changing use and average sizes. The land holders have use rights but not ownership rights, thus cannot be used as collateral. Government is working on commercialising SNL agriculture through a change of policy and legislation[29], which is expected to address productivity, gender issues, income generation and poverty reduction.

[29] Swazi Nation Land Agricultural Commercialisation Bill

Approximately 70 percent of the national population obtain their livelihoods from agriculture and it is indirectly the main employer. According to the Labour Force Survey (2021), the agriculture sector employs about 13.5 percent of the labour force mainly from commercial farms where major crops grown are sugarcane, timber, citrus fruits, and macadamia nuts as well as dairy, beef, poultry and piggery is raised. Significant opportunities for diversification with strong links to manufacturing exist in the sugarcane and beef value chains[30]. Sugar is by far the largest export product from agribusiness and possibilities exists to expand and diversify to bio-gas energy and ethanol fuel blending. It needs a change in the energy policy framework to encourage investments. The beef value chain has grown fast with cattle feedlots projects in commercial farms and at SNL level, with beef contributing about 79 percent of the 52.9 percent share of animal production to the overall share of agriculture in GDP. Export opportunities exist to fill the EU beef quota. Agriculture has more of informal employment and has transformed lives of rural households but the food security situation for most households remains precarious.

Agricultural production is weakly supported by services such as extension, entrepreneurial training, R&D, innovations, regulation of agricultural inputs, and reliable weather information to sustainably back up agro-industries. Furthermore, most SNL farmers do not practice farming as a business due to limited government support, poor entrepreneurial skills, poor marketing support, post-harvest losses, pricing which makes activity unprofitable. Farmers have limited risk mitigation measures such as agricultural insurance and climate smart irrigation. Many a times, agricultural products are not of the right quality and variety resulting in production remaining low, hindering the sustainable supply of raw materials to agro-industries and food insecurity. The research station is in bad situation poorly financed, equipped and staffed. As a result, huge investments are envisaged in the sector in terms of creating a new modern research station, strengthening the agricultural extension system investing in the university and colleges and establishing cooperation between large and small farmers, supporting women and youth farmers as well as the communities at large.

Agriculture is also susceptible to climate change vulnerabilities and climate smart measures have to be adopted fully. It has been exposed to severe droughts – crop failure and death of livestock, floods, hailstorms, overgrazing, bush encroachment, siltation of dams and invasive species. These have led to food insecurity, poor nutrition and reduced productivity. 27 percent of under-fives are stunted and one in seven children goes hungry[31]. Climate smart technologies are being adopted especially by commercial farmers, including drought and heat resistant seed varieties, rotational cropping and grazing, and climate smart irrigation e.g. replacing flood irrigation with drip irrigation in the sugarcane sector are crucial. There is a need to strengthen the agricultural extension system, research and development, diversification and promotion of commercial farming to ensure food and nutrition security as well as efficient raw material supply to the manufacturing industries. Otherwise, private sector promotion would not be effective. SNL farmers need to be equipped with skills and adopt improved production technologies for maximising productivity.

[30] World Bank, 2020, “Towards Equal Opportunity: Accelerating Inclusion and Poverty Reduction in Eswatini – Systematic Country Diagnostic”
[31] Zero Hunger Report, 2018

SNL farming is done by the old-aged group and youth participation remains wanting. Youth participation, access to land and credit, market information, mentorship and adoption of innovative technologies in farming will be encouraged. Other initiatives like value addition and agro-processing are low lying fruits for the youth and MSMEs to explore in the sector. About 21 percent of MSME owners[32] are on agricultural enterprises and this indicates second after wholesale which leads by 46 percent. MSME sector presents an opportunity in agro-processing and value addition, research and development, input manufacturing (e.g. fertilizers and seeds), equipment supply, logistics and marketing services and horticulture production for the youth especially those with skills.

Key Sectoral Outcome Targets	▪ Improve agriculture sector contribution to employment creation by at least 6,000 jobs in the next 5 years ▪ Increased agriculture sector growth by 6% annually ▪ Increased export oriented production by 11% annually

Strategy	Programmes / Intervention
Strategy 1 – Improve agricultural productivity by including the participation of vulnerable groups (youth and women) while ensuring climate smart initiatives and environmental sustainability.	▪ Implement the developed Sector Developing Plans Agreements (SDPAs) ▪ Lobby for the enactment and implementation of the SNL Commercialisation Bill ▪ Facilitate land access and support to vulnerable groups and promote capacity building of farmers through mentorship, coaching and training to improve efficiency and effectiveness in land utilisation and farming operations. ▪ Sensitise youth on available agricultural opportunities, provide training and mentorship on agribusiness, support their access to land, credit and agro-processing sheds ▪ Provide mentorship and hand-holding support to youth on agribusiness ▪ Enhance participation of youth in decision making including in policies and projects development ▪ Promote youth innovation in climate smart technologies including through innovation challenges and awards for solutions ▪ Promote and support youth to have access to agricultural finance ▪ Improve post-harvest handling and storage, agro-processing and value addition ▪ Accelerate the implementation of the water harvesting and irrigation programme through the small and medium dams Strengthen livestock breeding and improvement programmes
Strategy 2 - Establish an integrated agricultural information and management system to facilitate marketing of inputs, products and information	▪ Promote development of agricultural management information systems that will enable value chain players to harness benefits from a one-stop platform while interchanging information and enabling trading of commodities and allowing for reporting and policy formulation. ▪ Developing an integrated early warning and timely response climate information management system to help farmers and value chain actors take informed decision and improve their adaptive capacity ▪ Increase access and use of digital and climate-smart technologies in agro-industry markets

[32] FinScope Report MSME Eswatini (2017)

	▪ Support and improve investment into agricultural research, technology and development ▪ Re-establish the research arm by rehabilitating and expanding Research station, equipping it with modern technology, innovation, training staff and advancing R & D to produce seed varieties adaptive to climate change and advise on latest intervention measures
Strategy 3 - Strengthen administrative and technical capacity of the Ministry of Agriculture	▪ Improve skills and competencies of agricultural labour force at technical and managerial levels in climate-smart agriculture, post-harvest handling, storage and value addition ▪ Strengthen the institutional capacities – skills, equipment, systems and tools for officials responsible for the delivery of agro-processing and agribusiness enhancing services ▪ Undertake strategic recruitment and training of agricultural research staff and strengthen research standards and quality assurance through formulation of regulations and enforcement.
Strategy 4 - Ensure strong business linkages for improved marketing of products	▪ Increase commercialisation and competitiveness of agricultural production and agro processing. ▪ Increase commercial production of cash and high value crops and livestock for exports and value addition ▪ Increase agro-processing and market linkages of agricultural commodities ▪ Strengthen linkages and partnership models between public and private sector in agro-industry ▪ Strengthen coordination of public institutions in design and implementation of policies ▪ Promote coordination along agriculture value chains through supporting Agriculture Industry Associations (inclusive of producers, processors, traders, input suppliers and other service providers) ▪ Promote marketing of agricultural commodities locally and internationally through local sourcing and export incentives ▪ Increase market access and competitiveness of agricultural products in domestic and international markets. ▪ Promote market linkages and train farmers on market integration ▪ Promote business collaboration between businesses and farmers through contract farming and contract enforceability ▪ Digitalise acquisition and distribution of agricultural market information and promote digital marketing platforms
Strategy 5 - Ensure a secured land tenure system to encourage investments in production and productivity.	▪ Improve land tenure systems that promote agriculture investments increasing the number of farmers with titled or leased land to ensure land tenure security ▪ Advocate and lobby for the formulation of the Land Governance Act, Policy and Guidelines in collaboration with all relevant Ministries responsible for land ▪ Support curriculum reforms to ensure that land management is mainstreamed in school curriculum ▪ Strengthen development planning initiatives at chiefdom and regional level ensuring rational and sustainable use of land, especially on issues of land degradation and soil erosion

	Improve irrigation and water supply facilities and prioritise dams on the list of planned large infrastructure projects ▪ Promote sustainable land and environment management practices by developing land and soil conservation practices in the prioritised commodities
Strategy 6 - Improve commercialisation and competitiveness of agricultural production, agro-processing and value addition	▪ Increase the total export value of unprocessed and processed agricultural commodities – baby vegetables, citrus, dairy, meat, timber and canned products ▪ Invest in the research and technologies in high yielding varieties and identify commodities that can be processed and exported ▪ Increase access to and use of agricultural mechanisation ▪ Strengthen systems for management of pests and diseases ▪ Support compliance into standards (Global GAP, HACCP, etc) by farmers ▪ Link farmers and agro-processors to access export markets ▪ Train farmers on agro-processing and value addition initiatives ▪ Support establishment of industry associations
Strategy 7 – Increase the mobilisation, provision, access and utilisation of agricultural finance	▪ Facilitate strengthening of farmers groups and cooperatives for savings mobilisation ▪ Improve public financing mechanisms through establishment and operationalisation of the Agriculture Development Fund ▪ Promote user friendly agricultural finance from commercial banks ▪ Train farmers (smallholders) on developing financeable business proposals/plans ▪ Support farmers to access micro-finance institutions including access to the revolving fund ▪ Support affordable agricultural insurance policies ▪ Promote youth finance starter-pack facilities
Strategy 8 - Promote R & D, early warning systems and adoption of climate smart initiatives	▪ Invest in new and rehabilitate old infrastructure for agriculture research including laboratories, offices, technology demonstration and training centres, ▪ Promote adoption of climate smart agricultural practices ▪ Upscale research on bio - fortification and the multiplication of nutrient dense food staples and facilitating the production of diverse foods. ▪ Facilitate adoption of protected crop cultivation ▪ Support research into drought tolerant cultivars and animal breeds ▪ Promote water harvesting initiatives and water use efficient irrigation systems ▪ Support the development of an integrated early warning system and timely dissemination of information, promoting feedback mechanism and M&E. ▪ Develop and promote a holistic national food balance sheet ▪ Upgrade the current agricultural research institution and consider making it an independent arm of the UNESWA Luyengo Campus so that it strengthens the agricultural department while advancing R&D. ▪ Intensify post-harvest handling, preservation and processing of foods to minimise losses.

Sectoral Outcome 6.6 – New Foreign Direct Investments (FDI) Promoted

The Eswatini economy has been experiencing difficulties in attracting foreign direct investment over the past decade as reflected by the declining in private investment which has averaged 5.4 percent in the last 5 years. This has resulted in reinvested earning dominating the FDI inflows domestically while the ability to attract Greenfield FDI has become scarce. Moreover, public sector has taken the lead in terms of investment limiting opportunities for private sector through the expansion of state-owned enterprises. The private sector remains constrained by a large[33] state active participation in the economy - in energy, water, transport and telecommunications, agriculture, commerce, education, entertainment, finance, health, housing, information and technology, and tourism. Assessment done through several studies point to serious implications for government finances as most are loss-making and benefit from transfers.

The private sector has shown resilience through the COVID-19 and political unrest situations and there are a number of other important strategies to further boost potential investment being considered. They include strengthening fiscal management, improvements on service delivery, investing in ICT and digital transformation, tax incentives, securing energy and water supplies as well as investing in trade facilitation by making it efficient to import and export products through the borders. Finally, there are low-hanging fruits available to promote investment in particular sectors such as mining and tourism, as well as the existing under-utilised infrastructure to support economic growth.

An important consideration is that Eswatini has about 25,000 young people entering the workforce annually. For economic growth to be inclusive and to take full advantage of the growing labour force, the focus should be on incentivising investment that will drive employment growth. Consequently, there will be much greater multiplier impacts on the economy a greater number of people are employed and boosting disposable incomes.

Key Sectoral Outcome Targets	▪ Annual imports of construction and capital goods increased to at least 10% of GDP per year by 2027 ▪ Annual Net Foreign Direct Investment Inflows increased to at least 3.5% of GDP by 2027 ▪ Unemployment brought down from 23% in 2017 to at least 20% by 2027, equivalent to 4,000 new net jobs on average every year ▪ Quality standard compliance of all imported products

Strategy	Programmes / Intervention

[33] A total of 49 state-owned enterprises.

Strategy 1 – Optimise tax structure, rates and incentives	▪ Undertake a comprehensive analysis on all tax incentives, the tax structureand tax rates, and an international tax comparison to identify a more optimal tax system ▪ Develop a National Incentive Policy ▪ Assess the competitiveness of current incentives and rates from international investors' view compared to neighbouring countries ▪ Tax structure, rates and incentives optimised to boost investment, promoting labour-intensive businesses ▪ Re-examine and operationalise the Special Economic Zone (SEZ) and refine the regulations around SEZs to ensure they do not crowd-out domestic businesses, or create an uncompetitive environment ▪ Explore non-fiscal incentives that can be provided to attract investment
Strategy 2 – Market proactively Eswatini as aninvestment destination	▪ Develop an investor promotion plan and improve effectiveness of investment promotion agencies ▪ Target specific sectors and companies that have a potential to invest in the country bringing their competitiveness, skills and brand ▪ Investigate further international channels to promote Eswatini and assess the possibility of convening an investment summit ▪ Examine strategies of countries that have successfully marketed themselves
Strategy 3 – Encourage private sector involvement in infrastructure development	▪ Develop specific PPP policies and enforcement measures for policies ▪ Restrict PPP projects to those that provide net benefits to the Eswatini government and nation ▪ Prioritise regular maintenance for current infrastructure to improve quality and longevity, as well as develop long-term planning to ensure that infrastructure is maintained ▪ Enforce preference margins in Procurement Act
Strategy 4 – Investigate and develop further investment vehicles	▪ Develop the Eswatini Stock Exchange and promote its usage ▪ Coordinate with financial sector to identify new or upcominginvestment vehicles. ▪ Research into how technology can be utilised to create new investment vehicles
Strategy 5 –Utilise fully current infrastructure and capitalise on tourism and mining opportunities	▪ Open up the mining sector, explore mining opportunities, and enable mining licenses ▪ Ensure Eswatini citizens benefit from mining activity ▪ Develop efficient means to boost tourism in Eswatini ▪ Promote eco-tourism ▪ Investigate opportunities to increase non-hospitality focused tourism ▪ Link business incentives to utilisation of current infrastructure

CHAPTER 7

Enhanced Social and Human Capital Development and Sustainable Livelihoods

	Sectoral Outcomes	Strategies
National Outcome 3 - Enhanced Social and Human Capital Development and sustainable livelihoods	1 - Improved access to quality health and health- related services	1. Explore avenues for innovative, efficient and effective procurement and distribution mechanisms for health services and medical supplies 2. Strengthen health information management and its products for evidence-based policy direction and programming 3. Improve on full time equivalent utilisation of health resources 4. improve financing of health programmes for sustainability 5. Address inequalities and climate related vulnerabilities
	2 - Improved access to quality, relevant and inclusive education and lifelong learning opportunities	1. Improve the education system to develop current and future skills necessary for sustainable livelihoods 2. Enhance access to quality education at all levels 3. Increase technical vocational education and training opportunities
	3 - Improved management and access to safe drinking water. sanitation and hygiene	1. Effectively and efficiently manage and regulate water resources 2. Effectively and efficiently manage WASH services and infrastructure 3. Increase access to adequate and safe/potable water, sanitation and hygiene 4. Strengthen WASH governance and empowerment of citizens
	4 - Enhanced food security and nutritious food	1. Improve food availability, access and affordability 2. Ensure increased production, marketing and favourable pricing of nutritious food products
	5 - Reduced Poverty Rates in All its Forms at National and Regional Levels	1. Renew a national social contract by developing a shared vision of a well-served, fair and secure society 2. Promote a more inclusive, equitable and sustainable pattern of growth underlined by investment in the people 3. Invest in rural infrastructure and promote improved service delivery
	6 – Enhance social cohesion and national unity	1. Cultivate the spirit of tolerance and sense of belonging to foster social cohesion and national unity 2. Empower families, communities and citizens to embrace national values and actively participate in sustainable development
	7- The Youth and Other Vulnerable Groups Empowered with Adequate Skills and Opportunities to Live Meaningful Lives and Actively Participate in the Economy	3. Mainstream and broaden access to quality TVET programmes 4. Improve legislation and institutions to transform labour and non-labour markets 5. Promote youth participation in sports, culture and arts for talent development, healthy living and unity 6. Provide well targeted social safety nets for young vulnerable people as a means to elevate them towards self-sustenance

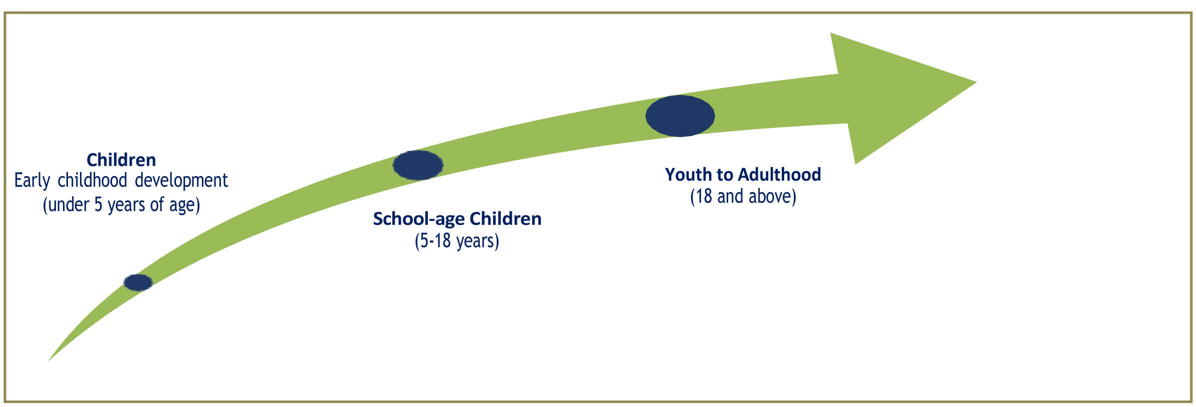
	8. Improved and well-targeted social protection services	1. Improved targeting of social assistance programmes 2. Strengthened administration of social assistance programmes 3. Strengthened national social security system
	9- Improved decent housing for vulnerable emaSwati	1. Improve access to safe and inclusive housing infrastructure 2. Ensure compliance to infrastructural and environmental regulations

Human capital is undoubtedly one of the critical determinants for sustainable economic growth according to modern growth theories. Human capital is defined as the health, knowledge and skills people acquire over their lifetime and is a pivotal driver for sustainable growth and poverty reduction. Higher individual earnings, higher income for countries and stronger social cohesion are associated with high human capital.

It is for this and other reasons that the country has adopted the integrated approach to human capital development. In an attempt to measure progress in human capital development, the human capital index (HCI) was developed, this is an international metric comparing human capital across countries' economies. HCI for Eswatini stands at 0.37 (2020). Human capital index[34] summarises a nation's investment in its human capital specifically focusing on health and education.

The human development path was heavily affected by the COVID-19 pandemic that did not spare any sector, causing devastating social and economic impacts through the effects of lockdowns and other measures taken to combat the spread of the disease. Poor performance in human development is closely associated with increasing poverty and inequalities. Poverty gap is envisaged to have widened, with levels expected to have increased by 2.3 - 5.6 percent, implying that additional 27,435 to 65,844 people may have become poor and suffered huge losses economically and socially. Strengthening longer-term response and recovery to COVID-19 remains key to the longer-term social and economic impacts of the pandemic.

Figure 18: Life Cycle Approach to Human Capital Development



Source: World Bank; Eswatini Human Capital Brief (2021)

[34] The index is used to identify what is lost from the lack of investment in human capital. The index ranges from 0-1 and for countries that invest adequately on their people, the index is closer or equal to 1

As shown in *Figure 18* above, Government will focus on the holistic service delivery approach, mainly targeting the provision of comprehensive support services to the child from conception through youth to adulthood until they attain their full potential.

Over and above human capital development, Eswatini needs to invest in social development and sustained livelihoods. This includes deliberate investments in inter alia, water, sanitation and hygiene, nutrition and food security, decent housing and accommodation for everyone especially vulnerable people such as the elderly and child headed households. The youth remain a potential resource for any society and when their energies and potential are harnessed and channeled accordingly, they can be a critical anchor for sustainable economic growth. On the contrary, neglecting them results in increased societal ills such as youth-led social insurrections, deterioration of the humanity spirit that acts as a social fabric holding the households, communities and the country together (spirit of Ubuntu), indulgence to risky behaviours which ultimately create a vicious cycle of challenges. Inequality has also been manifested through gender-based violence and sexual violence especially among girls and women.

With this NDP, Eswatini is adopting a harmonised approach to human development under the outcome ***"Enhanced social, human capital development and sustainable livelihoods"*** and this is inclusive of health, education and skills development. The foregoing has a bearing in the whole lifecycle of the human being and anchored on strong families, social cohesion, national unity, peace and stability, and ensuring that basic needs such as water and sanitation, nutrition, shelter and social protection are met.

The main objective for this national outcome is to improve the quality of life of emaSwati nuanced by a healthy, skilled, well-nourished citizenry capable of living productive lives without living in fear; thus engendering peace and stability, as well as sustainable social cohesion and national unity. Moreover, this would play a pivotal role in eliminating inherent inequalities, poverty and vulnerability, whilst taking care of the environment and investing in future generations. The country has committed itself to develop human capacities and for the NDP 2023/24-2027/28, government will put more emphasis on (i) improved access to universal quality healthcare services; (ii) strengthening the education system through access to quality, relevant and inclusive education and provision of lifelong learning opportunities for all Swazis; (iii) transforming TVET to meet industry expectations and demands; (iv) strengthening lifelong learning for skills enhancement; (v) improving access to quality ECCDE programmes; and (vi) strengthening safety nets/social protection, social security to reduce poverty rates in all forms at national and regional levels. Moreover, the government will invest in the youth through a robust implementation of the National Youth Policy guided by the National Youth Policy Operational Plan. The priorities for this NDP are: (i) employer-led skills development; (ii) youth empowerment; and (iii) entrepreneurship coaching mentorship and support for the youth.

Sectoral Outcome 7.1 - Improved Access to Quality Health and Health- related Services

The health system has serious challenges with inherent structural weaknesses, capacity and funding constraints. The health sector has been struggling with an acute shortage of key inputs e.g., human resources, equipment, procurement of drugs, medical supplies, fuels, hospital management etc., to continue providing essential health services including child immunisation and increasing disease burden. The impact of COVID-19 on health systems and health outcomes was severe as the limited resources were diverted to respond to the pandemic and exposed the fragility of the system, as other services were curtailed such as child immunization seriously lagged behind. A study has to be undertaken to assess and quantify the impacts of COVID-19 on the health sector to identify strengths, weaknesses and opportunities to strengthen it. In addition, a financing strategy is urgently needed to support mobilisation of resources for specific programmes to make the health system more resilient so that it can prevent, be prepared for and respond to future health threats.

In light of the lessons learnt from the pandemic, health and health outcomes will be improved in order to ensure that the Swazi nation lives long fulfilling, responsible healthy and productive lives. This will be carried out through efficient, equitable, client-centred health system that accelerates attainment of the highest standards of health for all emaSwati and everyone living in the Kingdom of Eswatini. This will ensure amongst other things: (i) health promotion; (ii) reduced morbidity and mortality; (iii) strengthened health capacity and performance; and (iv) improved access to essential affordable quality health services

Key Sectoral Outcome Targets	▪ Reduce maternal mortality rate from 452 to 300 per 100,000 live births ▪ Reduce newborn deaths from 20 to 15 per 100 live births ▪ Reduce under 5 stunting from 25.5% to 20% ▪ Reduce HIV incidence from 1.36% to 0.4% ▪ Reduce risk of premature mortality from cardiovascular diseases, cancer, diabetes, and chronic respiratory diseases from 21% to 20%

Strategy	**Programmes / Intervention**
Strategy 1 Improved access to quality health and health- related services -	▪ Strengthen provision of quality essential health care services including HIV, NCDs and SRH ▪ Invest in the capacity, availability and functionality of essential maternal neonatal child health equipment and supplies in all government owned facilities ▪ Finance health actions to address inequities and climate related vulnerabilities ▪ Promote capacity building through research and development, education and awareness, and training in climate change related issues ▪ Promote access to and uptake of integrated SRH services amongst the adolescents and youth with a focus on vulnerability to HIV, GBV, sexual violence and teenage pregnancies ▪ Promote access to and uptake of nutrition programmes ▪ Strengthen service providers' skills and competencies in the provision of quality integrated maternal neonatal child health services ▪ Conduct a robust resource mobilisation exercise under the health financing strategy to strengthen health care system. ▪ Mainstream climate change into the national health policy and other strategic documents

Strategy 2 - Explore avenues for innovative, efficient and effective procurement and distribution mechanisms for health services and medical supplies	▪ Decentralise the procurement of medical supplies, services and transportation ▪ Improve internal and external procurement communication mechanisms ▪ Strengthen the use of procurement technologies for efficient and effective supply chain management ▪ Clearly demarcate responsibilities between Central Medical Stores and Procurement Unit
Strategy 3 - Strengthen health information management and its products for evidence based policy direction and programming	▪ Enhance community resilience to health disasters programme, focusing on promoting disaster risk reduction and management strategies ▪ Improve integrated diseases surveillance and response while strengthening inter-sectoral collaboration and partnerships for health ▪ Strengthen climate-informed disease control programmes and surveillance systems using climate services to target vector control ▪ Develop and disseminate a communication advocacy strategy to address key determinants of health outcomes ▪ Implement a comprehensive information system ▪ Lobby for full government ownership of research in the health sector and full implementation of the health research agenda ▪ Adopt sustainable climate smart technologies to enhance the resilience of communities to the adverse effects of climate change ▪ Establish a multi-hazard early warning system to trigger prompt public health intervention when certain variables exceed a defined threshold.
Strategy 4 - improve on full time equivalent utilisation of health resources	▪ Carry out a mapping of health facilities to assess accessibility and capacity ▪ Make Mbabane Government Hospital a centre of excellence as the biggest government owned referral hospital in the country ▪ Effectively and efficiently utilise health infrastructure, fleet, equipment and human resource ▪ Review on-call allowances for doctors and other specialists to enhance quality of service delivery ▪ Promote outsourcing of ancillary services such as cleaning and security ▪ Strengthen capacity of healthcare workers on the adverse impacts of climate change ▪ Improve infrastructure management and maintenance programme
Strategy 5 – improve financing of health programmes for sustainability	▪ Finalise the development of National Health Financing Strategy and implement it to mobilise resources ▪ Mobilise development partners for assistance to ensure sustainability of on-going and new programmes ▪ Assess possibility of establishing a health fund to ring-fence government and external resources for efficient and effective management ▪ Assess the possibility of establishing social health insurance fund ▪ Put in place institutional mechanism for improved coordination, regulation and management
Strategy 6- Address inequalities and climate related vulnerabilities	▪ Implement national laboratory strategies focusing on quality assurance of public health laboratories including human, environmental and veterinary laboratories ▪ Develop and implement a strong national biosafety and biosecurity regime

	▪ Establish, maintain and strengthen a quality-assured national laboratory network for emergency preparedness and response, building on existing WHO and other international laboratory networks, and promote international information exchange between laboratories ▪ Establish a national mechanism for cross-sectoral coordination, integrated preparedness and response, surveillance and event information sharing, joint risk assessment, risk communication and risk reduction strategies, and workforce development. ▪ Ensure that an all-hazard emergency risk communication function is in place and integrated into new or existing national action plans for emergency preparedness and response ▪ Facilitate training and capacity-building on all-hazard risk assessment including biological, chemical, radiological, climatic/meteorological and other natural hazards

Sectoral Outcome 7.2-Improved Access to Quality, Relevant and Inclusive Education and Lifelong Opportunities

Government recognises the positive role played by education and training in building human capital stocks and the transformation of the country's economic and social status. The Ministry of Education and Training is leading the education sector as the convenor of the Local Education Group (LEG) comprising of development partners, non-government organisations and everyone with a stake in education. Implementation of the Education for Sustainable Development (ESD), a transformative learning process is anchored on a number of principles inclusive of human rights, poverty reduction, sustainable livelihoods, peace, environmental protection democracy, health, biological landscape diversity, climate change, gender equality as well as protection of indigenous culture.

Education and educational outcomes will be improved to ensure that young people are groomed for life through quality education, leading to enhanced social and human capital development and inclusive growth. The NDP priorities for improved educational outcomes are in line with the 7 Key Strategic Areas of Improvement espoused in the Education Sector Strategic plan 2022-2034: (i) improved educational quality and student learning at all levels; (ii) retaining students in school until completion; (iii) entry and exit points of the education system strengthening; (iv) teacher development and management enhanced; (v) ensuring adequate and equitable education financing and spending; (vi) improved access at all levels; and (vii) strengthening system resilience for emergencies and preventing future crisis.

This NDP wants to build on lessons from the past NDP and the COVID-19 pandemic, and therefore adopts the same three strategies previously pursued. However, careful consideration of the key and emerging issues espoused in the ESSP is taken on board as part of the programmes and interventions to be implemented within the sector in the Plan period. This will be done to ensure a resilient education sector which leverages on ICT and learning management systems. The Plan is focused on improving the education system by considering learning options using partial attendance through virtual learning platforms – radio, TV, internet etc. A study on the impact of COVID-19 on the education system is planned to be undertaken during the plan period to draw lessons and determine future investments.

Key Sectoral Outcome Targets	▪ Participation rate of 3-5 years old from 40% - 52% ▪ Retention rate at primary 94% -96% ▪ Retention rate at secondary 57% - 60% ▪ Net enrollment for secondary schools increased > 40% ▪ Reduced out of school children (OOSC) 17% -13.5% ▪ TVET graduates absorbed by labour market from 60% to 70% ▪ Secondary schools mainstreaming CSTL <1% - 100% ▪ Roll out of Advanced Subsidiary (AS) programme to all secondary schools by 2028

Strategy	Programmes / Interventions
Strategy 1 - Improve the education system to develop current and future skills necessary for economic growth and social cohesion	▪ Promote programmes for provision of comprehensive package for ECCDE (social, emotional, cognitive and physical development) ▪ Fast track the roll out of Grade 0 programme to ensure strong foundation for learning ▪ Strengthen the sector capacities for improved delivery of life skills education at all levels ▪ Upscale the roll out of internet access in schools prioritising those in rural areas ▪ Make huge investments in Science, Technology, Engineering and Mathematics (STEM) enhancement programmes offering equal opportunities for both boys and girls ▪ Accelerate provision of appropriate infrastructure at all levels of the education system for effectiveness to Increase technology enabled learning ▪ Strengthen programmes aimed at increasing output of educational research ▪ Undertake a robust resource mobilisation for improving the education system through membership to international bodies such as the Global Partnership for Education (GPE) coupled with improving internal efficiency and ensuring strategic resource allocation within the sector ▪ Integrate emerging issues such as climate change and environmental sustainability in the education curriculum. ▪ Implement the quality management system (ISO 9001) standards in all schools
Strategy 2 - Enhance access to quality education at all levels	▪ Strengthen and implement programmes for recruitment, deployment and retention of qualified teachers especially in the remote areas ▪ Promote coordination of programmes and services offered by the different government institutions and private sector to tertiary students ▪ Strengthen the Education in Emergencies programme especially implementation of a Learning Management System (LMS) ▪ Ensure continuous monitoring and evaluation, and review of the curriculum ▪ Strengthen and upscale the care and support to teaching and learning programme in the entire education system ▪ Develop and promote an accountability mechanism

	between the communities, schools, teachers' unions, non-state actors and the Ministry of Education and Training
Strategy 3 - Increase Technical Vocational Education and Training opportunities	▪ Improve the capacity of TVET instructors and management for relevance, quality, and smooth teaching of TVET subjects ▪ Develop and implement a plan for higher education institutions to conduct relevant tracer studies (according to agreed upon priorities) of programmes and employability opportunities ▪ Support the utilisation of Public Private Partnership (PPP) programme in the provision and management of TVET to ensure graduates are easily absorbed by the labour market ▪ Prioritise the Recognition of Prior learning as well as part-time learning programmes in order to ensure lifelong learning and perpetual skills upgrade ▪ Implement the Accreditation and coordination of TVET institutions by ESHEC ▪ Expand TVET institutions to all regions.

Sectoral Outcome 7.3 Improved Management and Access to Safe Drinking Water, Sanitation and Hygiene

Water is essential for life, yet the quantity is limited and quality questionable, and its distribution varies seasonally within the different climatic regions of the country. Moreover, safe water supply is essential for health, proper nutrition and hence poverty reduction. Water as a basic need should be made available to everyone[35] to lead sustainable livelihoods and as a good measure for poverty reduction and good health. Water is a key driver of economic and social development. It is also one of the many vital natural resources needed to maintain the integrity of the natural environment, and thus water issues cannot be considered in isolation[36]. However, this important resource is increasingly becoming scarce due to climate change and other environmental drivers.

Table 11: Coverage for WASH in Eswatini[37]

Area	National Estimated	Supply Coverage		Water Access	
		Covered	Not Covered	Accessing	Not Accessing
Urban	76,164	67,317 (88%)	8,923 (12%)	48,618(64%)	27,546 (36%)
Rural	230,034	112,149 (49%)	117,885(51%)	65,845(29%)	164,207 (71%)
National	306,198	179,466 (59%)	129,551(41%)	114,445 (37%)	191,753 (63%)

Source: National Annual WASH Sector Performance Report 2018/19

[35] Poverty Reduction Strategy and Action Plan, 2006
[36] National Water Policy, 2008
[37] Note that these figures are as provided by the WASH forum, and are different from MNRE (DWA) figures because they excludes non-functional infrastructure.

Government made commitment and is yet to achieve universal and equitable access to safe and affordable water for all; adequate sanitation and hygiene for all as well as to end open defecation. In addition, to close the huge disparities between urban and rural, rich and poor, and regional differences. Safe drinking water and sanitation remains an inalienable and fundamental human right. Universal access is essential for improving overall health, nutrition, preventing disease and enabling health care, as well as ensuring the functioning of schools, workplaces and institutions. The NDP prioritises universal access to WASH by all groups including the poorest of the poor as a main drive for reduction of poverty and inequalities. Women, girls and other marginalised groups will be able to utilise their time on other productive activities.

Key Sectoral Outcome Targets	▪ Increased access to safe/potable water by 10% (annual increase by 2%) of households ▪ Increased national water coverage from 69% -80% households ▪ Increase access to safe water in rural, Informal and peri-urban areas from 49% to 65% of households , ▪ Increased access to improved household sanitation from 53% to 85% ▪ Reduce open defecation from 11% to 5% by 2024 and eliminate by 2027 ▪ Increased percentage of people practising appropriate and sustained hygiene behaviour from 26% to 50% by 2027. ▪ Improve water availability through the construction of at least 2 new multi-purpose dams. ▪ Review Water Act 2003 to strengthen the governance of water supply in the country

Strategy	Programmes / Interventions
Strategy 1 - Effectively and efficiently manage and regulate water resources	▪ Ensure the adoption of nationwide water price regulations to encourage efficient water use and scale-up smart metering systems ▪ Encourage the adoption and implementation of effective technologies for efficient water service delivery ▪ Design and construct water storage infrastructure for multiple use i.e., large dams, earth dams, sand dams etc. ▪ Strengthen the control and monitoring of water availability and use to protect surface and groundwater resources from over abstraction and impose timely restrictions when needed ▪ Strengthen the capacity of early warning systems to improve preparedness and response while reducing disaster risk ▪ Adoption of regulations to support implementation of the Water Act (2003) ▪ Finance the installation of near-real-time data at the 25 gauging stations ▪ Promote the establishment of effective decentralised water management institutions ▪ Develop and implement catchment adaptation plans and strategies to promote ecosystem and community resilience
Strategy 2 – Effectively and efficiently manage WASH services and infrastructure	▪ Improve partnership and coordination of WASH related issues. ▪ Develop Master-Plan and Sector Strategic Plan for WASH ▪ Secure climate proof water infrastructure including WASH infrastructure to increase community resilience and boost adaptive capacity. ▪ Review and implementation of WASH national data collection tool. ▪ Accelerate the Implementation and monitoring of the National Sanitation and Hygiene Technologies Manual/Guidelines ▪ Fast track the finalisation and operationalising the Drinking Water Regulations ▪ Strengthen and upscale the *Hlanteka* behavioural change campaign across the country ▪ Strengthen performance and monitoring of rural WASH infrastructure

	▪ Strengthen M&E for evidence-based decision making and policy formulation ▪ Improve the management and maintenance of WASH infrastructure including rehabilitations of non-functional systems ▪ Mobilise more resources for sanitation and hygiene programming ▪ Review approach to supply water delivery in rural communities to address access, maintenance and sustainability issues, ensuring that all have access to clean water. ▪ Ensure the implementation of the Hand Hygiene for All roadmap.
Strategy 3 – Increased access to adequate and safe/potable water, sanitation and hygiene	▪ Ensure the implementation hygiene behaviour change approaches such as Participatory Hygiene and Sanitation Transformation (PHAST) ▪ Encourage the implementation of Community Led Total Sanitation (CLTS) ▪ Strengthen open defecation free certification across all communities ▪ Ensure access for all ▪ New Infrastructure development, rehabilitation and maintenance of existing infrastructure ▪ Establishment of effective water harvesting techniques ▪ Assess sustainable water supply options beyond 2030 through conducting water assessments/studies to identify potable water supply sources, opportunities, and constraints with a climate lens
Strategy 4 – Improve WASH governance and empowerment of citizens	▪ Improve the governance of rural water supply by strengthening the Water Act, 2003 and developing associated water supply regulations ▪ Put in place a regulatory framework to ensure that water as a natural resource should be preserved, protected, kept safe and made accessible to all irrespective of land ownership and economic status ▪ Create an enabling environment for the governance of WASH activities to promote resilience against climate change ▪ Ensure that potable water, proper sanitation and hygiene is a component of rural development programmes to increase accessibility

Sectoral Outcome 7.4 - Enhanced food security and access to nutritious food

Enhancing social and human capital development is a policy decision to take a deliberate action to improve people's lives and ensure they have sustainable livelihoods. Invariably, it is to implement SDGs[38] as they are a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity[39]. The aspiration of Agenda 2030 (SDG Goal 1 and 2) seeks to ensure that governments are focused on ending poverty and hunger i.e. people can access adequate, clean and nutritious food, either domestically produced or acquired externally. Food security is the ultimate aim for government.

Food security is achieved when people at all times, have physical and economic access to sufficient and nutritious food that meet their dietary needs and food preferences, for an active and healthy life. For food security to be accomplished, the following pillars should be achieved - food availability, accessibility, affordability, utilisation, nutrition requirements, stability and inequitable supply[40]. Unfortunately, climate change is a key challenge to which appropriate action needs to be taken to ensure that food

[38] The 17 SDGs are integrated, linked to each other, affecting outcomes in others, and that development must balance social, economic and environmental sustainability.
[39] https://www.undp.org/sustainable-development-goals
[40] National Food Security policy, 2005

security is not threatened. The strategy for achieving food security lies in ensuring that: (i) food availability through increased production; (ii) improved access to adequate, safe, appropriate and nutritious food for proper human growth and development; (iii) improved food utilisation and nutrition; and (iv) stable and equitable supply that meets dietary needs at all times. This encompasses the actual quality and quantity of food allocated for consumption as well as biological utilisation which indicates the use of nutrients in the body for better health.

The overriding concept is that the population should not be in any risk of losing access to food due to any consequence of shocks, seasonality or climate related risks.

Key Sectoral Outcome Targets	▪ Increased production of maize to 140,000m.t. per annum ▪ Increased farmers' access to inputs subsidy programme by 20% annually ▪ Improved food and nutrition security by 10% by 2027 ▪ Percentage agricultural land under production increased from 71.9% to 73.5% by 2027

Strategy	Programmes / Interventions
Strategy 1 – Improve food availability, access and affordability	▪ Promote the production of agricultural food products prioritising quality and nutritious food to meet food requirements for families ▪ Continue to subsidise farm inputs and increase local supply in deficit regions ▪ Promote agricultural digital market platforms to improve access to food, and support farmers to comply with production (Global GAP) and marketing standards (HACCP) ▪ Support climate-smart irrigation programmes to upscale production and improve post-harvest loss management. ▪ Upscale and replicate climate smart agriculture, (Crops, aqua-culture, fisheries, and livestock production) for improved food and nutrition security and higher income ▪ Support innovation and technology that is climate proof and production of drought resistant seeds ▪ Support youth participation into agro-entrepreneurship ▪ Build the capacities and support communities towards a diversification of livelihoods to alleviate the economic burden on women
Strategy 2 – Ensure increased production, marketing and favourable pricing of nutritious food	▪ Facilitate the production of diverse foods, bio-fortification and fortification to meet the nutritional needs of the population ▪ Support backyard gardens and small stock production ▪ Lobby for strengthening of *Asidle Kwetfu* programme ▪ Support provisioning of balanced diets to children to prevent stunting ▪ Promote programmes for increased fruit tree production ▪ Support school feeding programme to ensure school children get nutritious diets ▪ Upscale safe and nutritious food programmes ▪ Promote storage and preservation of food products as well as the prevention of post-harvest losses ▪ Support chiefdoms projects for food production for OVCs/*bantfwana bendlunkhulu*

Sectoral Outcome 7.5- Reduced poverty rates in all its forms at national and regional levels

Poverty is high and deeply rooted, with most of emaSwati caught in the poverty cycle especially in the poorest regions of Lubombo and Shiselweni where, respectively, 58.9 percent of the population live below the poverty line and 92.6 percent are in rural areas. Rural poverty tends to be relatively deeper and more severe, and addressing poverty in rural areas will contribute more to reducing overall poverty. In general, children, youth, women and the elderly are particularly vulnerable to poverty. In most cases, poor people are marginalised and cannot access basic services even to the point of being denied basic needs that would enhance their dignity and make them feel like respected members of society. To ensure that the poor are able to participate actively in socio-economic activities and reap benefits from existing and future opportunities, depends on the quality and quantity of public services they can access to improve their human capacity. Quality of human capital is often determined by access to education, health, safe water, proper sanitation and hygiene, proper housing, food and nutrition, and social security[41]. To this end, the current NDP has prioritised poverty reduction and aims at promoting inclusive growth through providing programmes and projects that contribute towards sustainable livelihoods for all Swazis.

Poverty is dynamic and multidimensional in nature as the root causes of poverty cut across various categories and age groups. Multidimensional poverty is relatively higher in rural areas and affects more than half of Swazi children, especially through poor nutrition. The Multi-dimensional Child Poverty (2017) study revealed the prevalence of child poverty at different stages of childhood and being deprived in the following dimensions of well-being - nutrition, health, HIV/AIDS, child protection, education, child development, clothing, water, sanitation, housing, information, communication and technology. 56.5 percent of children aged 0-17 years are multi-dimensionally poor, that is they are deprived in four or more dimensions (SDG 1.2). Disparities in child poverty rates can be due to many factors, such as geographic location, household size and composition, sex of household head, age of mother, gender, early pregnancy etc. The degree of multidimensionality of poverty in the country differs substantially between regions with Lubombo and Shiselweni being the most dimensionally poor regions, and consequently the reason for the nationally high rate of stunting among children estimated at 23 percent.

The Eswatini Participatory Poverty Assessment (2020) analysed multi-dimensional causes of poverty at grassroots level whilst the Poverty Trends Report focused on the monetary aspects of poverty. The aim is to improve effectiveness of policy and intervention measures aimed at poverty reduction. To achieve this, there needs to be joint effort between government, development partners, civil society and the private sector.

Eswatini is seen as a high poverty and high inequality country, with a Gini coefficient of 49.3[42] and the pace of reduction is slow, happening at a decreasing rate. The distribution is based on consumption per adult that fell to 49.3 in 2017 from 49.5 in 2010 and 51.2 in 2001, but no significant change in the level

[41] Poverty Reduction Strategy Action Programme (2006)
[42] Central Statistics Office (2017) Eswatini Household Income and Expenditure Survey 2016/17

of inequality was seen from 2010 to 2017. Reducing inequality is particularly challenging in rural areas as is most pronounced in rural and peri-urban areas with the Hhohho being the most unequal region. The importance of balanced and inclusive regional growth was emphasised during the regional consultations.

The link between hunger and poverty is evidenced by the food insecurity reports in the country. The Eswatini Zero Hunger Strategic Review (2018[43]) was conducted to come up with analysis and recommendations for ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture. The report's recommendations provide a renewed focus on how to respond to the food and nutrition insecurity challenge. The NDP aiming at improving livelihoods of the poor Swazis and contributing towards sustainable livelihoods, recommends the following strategies and programmes/interventions to be implemented in the planning period.

Key Sectoral Outcome Targets	▪ Reduce percentage of people living in poverty from 58.9 percent (EHIES 2017) to at least 54 percent by 2027 ▪ Reduce percentage of people living in extreme poverty from 20.1 percent (EHIES 2017) to at least 17 percent by 2027 ▪ Reduce the working poor from 38.9 percent (EHIES 2017) to at least 34 percent by 2027 ▪ Improve the multidimensional poverty index from 0.081 to 0.05 in 2027. ▪ Reduce child poverty rate from 56.5% in 2016 to 40% in 2027.

Strategy	**Programmes / Interventions**
Strategy 1 - Renew a national social contract by developing a shared vision of a well-served, fair and secure society.	▪ Re-prioritise poverty reduction as an area of national focus to take care of the poor and vulnerable members of society ▪ Engage on an exercise of n comprehensive process of national reconciliation and shared responsibility ▪ Consider expanding the responsibility of the SDG technical group to include poverty issues and act as the Poverty Observatory Forum, drawing experts from all relevant sectors ▪ Review the PRSAP to assess achievements and challenges and make an input into policy changes and next NDP ▪ Build capacity for the Poverty Reduction, Monitoring and Evaluate Unit to coordinate, monitor and evaluate and report implementation of NDP and poverty reduction initiatives and programmes
Strategy 2 - Promote a more inclusive, equitable and sustainable pattern of growth underlined by investment in people	▪ Develop and implement programmes that are SDG based and integrating poverty reduction. ▪ Promote economic growth intervention measures that encourage investment into the youth, women and other vulnerable groups including civil servants who are also poor ▪ Support economic and social recovery activities that focus on vulnerable groups whilst strengthening community relationships ▪ Promote programmes that ensure participation of the poor in income generation such as the RDF ▪ Strengthen MSMEs operational environment as well as informal sector

[43] The Review seeks to analyse the obtaining food and nutrition situation and its linkages to poverty in the country and identify opportunities to strengthen current and future programmes and strategies aimed towards the attainment of zero hunger and ending poverty by 2030.

	▪ Implement a favourable tax package that will favour poverty reduction and enhancement of better living conditions and create an enabling environment for the poor to improve their lives ▪ Improve on programmes for universal access to education and health
Strategy 3 - Invest in rural infrastructure and promote improved service delivery	▪ Promote programmes that will bring development in rural areas such as tarred roads, power supply, clean water, information communication and technology, shopping complexes and industrial areas ▪ Promote Public Private Partnerships in the provision of rural economic infrastructure ▪ Strengthen programmes aimed at ensuring MSMEs increase their participation in employment creation ▪ Implement community development policy ▪ Reduce poverty through sustainable use of natural resources and, improved disaster and risk management systems.

Sectoral Outcome 7.6 - Enhancing social cohesion and national unity

Relations among emaSwati have generally been peaceful and that has allowed the transformation of the Swazi society to embrace both traditions and modern way of life. As the society transforms, there is impact on the socio-economic and political landscape, which has influence on the way of life for present and future generations. However, as the integration of modern concepts into the Swazi way of life took place, certain aspects of building a harmonious, progressive and united society based on underlying principles of being respectful, compassionate and accepting the diversity that exists in a modernising society changed. It also emphasises the value of a shared national identity, grounded in a common commitment to building a united and prosperous society as well as having a credible government that respects the Constitution and the rights enshrined in it. Over the recent years, the social fabric has changed in a way that has shown cracks leading to an angry society. To make things worse, general public services have deteriorated exposing the vulnerable members of society leading to loss of confidence in government and corruption is perceived to have increased without any corrective actions. In addition, there has been worrying developments some seemingly perpetuated by commitments that government got into and implemented without consultation and gradual integration, leading to societal fragmentation and disunity.

Be that as it may, lack of national value systems (Identity as a nation) has led to a weak sense of responsibility and ownership of development programmes among the general population. It is also important to acknowledge that mind-set of society needs to be considered as a priority national development issue that deserve national attention, and enhanced integration is key to fostering social cohesion and national unity. The youth consist of 72.9 percent of the population and about 58.9 percent are unemployed leading to idleness, loss of hope, substance abuse, crime and political instability. Furthermore, with the worsening standards of services in health and education, the index for human capital development has declined significantly from 0.47 in 2019 to 0.37 in 2020 revealing a daunting task ahead. With the NDP, government hopes to achieve sound economic management, peace and political stability. At the same time, it is hoping to build collaborative efforts with different stakeholders to reduce division and various other forms of socio-economic disparities across regions and groups.

Government recognises that to bridge the divide it will accept different views and ideas, enhance citizen engagement and afford everyone a voice, and embrace the call for transformational change. Government has a duty therefore to focus on uniting the nation, invest in the youth and human capital development, social protection and enhancing programmes and platforms for greater interaction, engagement, and collaboration among *emaSwati*. In addition to social cohesion and national unity, the Government aspires to foster strong families, a fully moral and ethical society, in line with the aspirations shared during stakeholder consultations. Government will therefore intensify collaboration with all stakeholders to foster a shared sense of responsibility for building a more moral and ethical society, particularly traditional authorities, community-based and religious institutions, public sector associations, as well as other[44] groupings. The goal of this intervention is to empower families, communities and citizens to embrace national values and actively participate in sustainable development, as well as to improve in accountability and transparency.

Key Sectoral Outcome Targets	▪ The participation of families, communities and citizens in deciding and implementing development initiatives Increased ▪ Families, communities and citizens empowered to embrace national values and actively participate in sustainable development. ▪ Community mobilisation for cooperation to enhance socio-economic development

Strategy	Programmes / Interventions
Strategy 1 – Cultivate the spirit of tolerance and sense of belonging to foster social cohesion and national unity	▪ Open dialogue for collaboration with different stakeholders on good governance issues, development agenda and implementation ▪ Increase government engagement and interaction with youth, civil society, media and other stakeholders ▪ Empower communities to claim for equal treatment or consideration in the enjoyment of rights and freedoms, attainment of access to services etc. ▪ Promote social integration and ethics to foster a united and moral society, and to live without fear, through instilling morality and values in children whilst young ▪ Intensify stakeholder engagement to build a shared sense of responsibility, participation in policies and programmes formulation and implementation, and overall development decision making ▪ Ensure the RDF is used for projects that collectively develop the rural; communities and addressing their socio-economic development needs ▪ Promote sports for healthy living and unity and also instill a sports culture, and those talented to be source of living ▪ Promote youth and women empowerment whilst ensuring equity between girl and boy child ▪ Improve infrastructure and services especially for emergencies to save lives
Strategy 2 - Empower families, communities, leadership and citizens to embrace national values and actively participate in sustainable development	▪ Strengthen the family institution to raise responsible and respectful children. Rights of groups come with responsibility ▪ Encourage families to care for the elderly, under-priviledged, vulnerable, disabled citizens ▪ Invest in human capital development and harness the demographic dividends by empowering present and future generations. ▪ Strengthen capacity of traditional structures and communities to take responsibility and ownership of programmes funded by government and

[44] Other refers to political, social, LGBTQI etc.

	others ▪ Separate responsibilities of traditional structures, MPs and tindvuna tetinkhundla etc pertaining to the implementation of development programmes ▪ Increase transparency and eliminate corruption in the delivery of services ▪ Ensure mobilisation and participation of traditional leaders and communities in programmes and project formulation and implementation, to take full responsibility, minimise lack of development opportunities, ownership, abandonment of projects and disputes

Sectoral Outcome 7.7 - Empowered Youth to Actively Participate in Economic Activity and Decision Making

Young people under the age 35 years are estimated at 72.9 percent of the population, with 52 percent under the age 20 and 39.6 percent under the age 15[45]. The Youth Policy (2009) classifies the youth demographic as people between the ages 15-35 years. Youth are the future, and investing in the youth today means a brighter future for the entire country tomorrow. The changing demographics - large and growing youth population and a declining birth rate, are creating a rare opportunity to harness the potential of young people to accelerate development.

As mentioned in the previous NDP, the potential demographic dividend the nation can reap requires significant investment in young people, which should have begun as early as 2015. The country has developed appropriate national policies, laws and strategies for youth - National Youth Policy in 2009, ratified the African Youth Charter in 2013 and other public policies such as the National Education and Training Sector Policy (2018), Gender Policy (2010), Disability Policy (2013), and Sexual and Reproductive Health Policies (2013), as well as adopting a number of international frameworks. These sought to create a workable environment and develop programmes aimed at improving the lives of young people. However, Swazi youth face many challenges which stop them from reaching their full potential. They include high rates of poverty, a decline in the strength of family structures, access to education, high unemployment estimated at 58.9 percent[46], HIV/AIDS[47], access to family planning and youth-friendly sexual and reproductive health services, drug and alcohol use, gender inequality, violence, and crime. They have lost self-esteem and intervention programmes are required to be comprehensive, coordinated, and multi-sectoral.

In order to harness the potential demographic dividend, the country urgently needs to focus investments into the development of young people: their health, education, and social protection. Furthermore, there is a need to focus on labour market reforms that can absorb a growing young working-age population that is appropriately trained for the needs of that market. Government has introduced changes on the education system and put in place systems and processes for business registration, and

[45] National Population census, 2017
[46] Labour survey, 2021
[47] Eswatini has one of the highest rates of HIV prevalence amongst youth in the world. Disparities between men and women are enormous with 5.9% of young men and 22.7% of young women aged 15 to 24 infected

the acquisition of relevant operating licences, but they seem to hinder the growth of youth-led businesses in the country. They lack mentorship, coaching, counselling and guidance in relation to entrepreneurship, leadership and business management amongst other issues. Also, sports are an important component in promoting talent and an active and healthy lifestyle. Participation in sports has the potential to strengthen social integration and unity while giving the youth an opportunity to develop talent to give them opportunities to trade their talents. The vision is for Swazi youth to embrace a sports culture, where sports and physical activities are an integral part of life.

The NDP recognises the efforts that the country has pursued concerning empowering girls as part of international commitment on gender equality. A lot still has to be done, however, issues concerning the development of the boy-child have emerged and need urgent attention too. According to a study[48], boys suffer from socio-economic, knowledge and attitudinal vulnerabilities. Consequently, they have a real sense of being left out and at a disadvantage not just in terms of knowledge, but programming in general and are manifesting this in negative behavioural ways.

This Plan will ensure that all young people are afforded platforms and opportunities through a concentrated, integrated and comprehensive approach so that they can develop themselves and ultimately their communities. Some platforms will provide opportunities for interaction between and among different social groups to foster social cohesion and national unity, and to inculcate ethics and moral values. Improvements will be achieved through: (i) increased access to integrated education, livelihood and employment opportunities including ICT; (ii) improved access to livelihood and employment opportunities; (iii) improve community safety nets for socialisation; (iv) comprehensive skills development programme and (v) promotion of peer-to-peer support.

Key Sectoral Outcome targets	▪ Reduce the proportion of youth not in employment, education or training from 35% in 2021 to at least 15% by 2027 ▪ Encourage talent management in sports, culture and arts to increase employment opportunities ▪ Addressing youth unemployment and reducing it from 58.2% (2021) to at least 40% by 2027
Strategy	**Programmes / Interventions**
Strategy 1 - Mainstreaming and broadening access to quality TVET programmes	▪ Improve education delivery through better access and quality ▪ Enhance quality and delivery of TVET programmes to improve graduate employability and re-branding it to make it attractive ▪ Provide Economic infrastructure for youth with particular bias to rural areas
Strategy 2 – Improving legislations and institutions to transform the labour and non-labour markets	▪ Enhance participation of youth in decision making including in policies and projects development ▪ Empower youth to harness their potential and increase self-employment, productivity and competitiveness ▪ Enhance labour market operations to maximise efficiency and

[48] SADC regional study of vulnerability amongst boys (ages 14 - 20 years) in schools, 2019

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	effectiveness by targeting programmes for youth for closer integration with industry ▪ Provide access to land for agricultural production as well as agro-processing sheds for the youth ▪ Promote entrepreneurship skills in climate smart technologies including renewable energy retail and repair, agriculture value chain, recycling, and community waste solutions ▪ Promote programmes aimed at ensuring youth are self- employed and engage in cash or food for work activities ▪ Revitalise and sustain the Youth Enterprise Fund and provide capacity building for the youth in entrepreneurship and access to credit ▪ Provide guarantees for youth interested in starting and expanding their businesses ▪ Host youth gatherings to equip them with livelihood skills such as the youth indaba, youth conference and youth SMART partnership dialogues
Strategy 3 - Promoting youth participation in sports for talent development, healthy living and unity -	▪ Review and update policies taking into consideration recommendations and ambitions of the sector from scientific studies conducted ▪ Promote a sports culture and developing talent to enhance well-being ▪ Develop youth leadership in sports through capability building programmes to build the capacity and professionalism of sports ▪ Improve level and quality through investments in infrastructure, equipment, technology, coaching, mentorship and the coordination of the sports, culture and youth sector ▪ Develop high-performance athletes for global prominence through specialised training programmes, more rigorous, compliance with international standards and the hosting of international sports events. ▪ Establish a fully-fledged Arts Centre and increase the number of fully equipped youth centres (internet, computers, books etc.) ▪ Increase budget allocation for sports, arts and culture ▪ Put in place programmes for supporting upcoming artists to fully develop their talents to make a living out of their talents professionalise all sporting codes and arts in order to attract funding and investments ▪ Provide adequate sporting infrastructure (soccer field, track and fields) at least one in each region ▪ Promoting healthy eating and healthy lifestyles in line with adaptation needs.
Strategy 4 - Provide well targeted social safety nets for young vulnerable people with an aim of elevating them towards self-sustenance	▪ Build capacity for the responsible entity for targeting vulnerable people to benefit from social safety nets ▪ Closely monitor and evaluate social programmes in order to strengthen their impact ▪ Promote programmes at building capacity for young people to establish and expand businesses ▪ Provide access to land and resources/ inputs for young people and people living with disabilities ▪ Promote programmes for improving the score card on National Gender and Development Index ▪ Develop and operationalise the FEMCOM strategy and Action Plan ▪ Promote programmes aimed at reducing human trafficking and exploitation ▪ Promote programmes for improving service delivery for refugees and asylum seekers

Sectoral Outcome 7.8 - Improved and Well Targeted Social Protection Services

Social protection consists of policies and programmes designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to manage economic and social risks, such as unemployment, exclusion, sickness, disability, and old age. They help in the fight against poverty and vulnerability if properly targeted and efficiently disbursed. In the past few years, government allocated 2.5–3.5 percent of its total spending (or 1 percent of GDP) to five social protection programmes[49]. All the five programmes are pro-poor and pro-food insecure and considered together 54.6 percent of the extreme poor and 50.8 percent of the moderate poor are covered. On the other hand, about 25.9 percent go to people who are not poor[50]. Likewise, taking all five programmes together, 48.7 percent of those that are severely food insecure are covered, while 25.7 percent of those that are food secure are covered.

Spending on social protection or assistance is currently inadequate and there is a need for a more structured programme that is well established, programmed and targeted, given the levels of unemployment and poverty[51]. According to the EHIES (2017), only 19 percent of households receive the OVC grant yet 60 percent of children are vulnerable and 71 percent of these children are OVC. There is currently no social safety net in place for the unemployed.

The government administers a mix of social assistance programmes, social insurance programmes, and social welfare services in a bid to address poverty and vulnerability and restore dignity whilst improving the quality of lives for all emaSwati. Vulnerability and poverty status are closely associated with drought, price shocks, and food insecurity status. In an effort to tackle poverty related challenges, government is implementing these measures namely: (a) neighbourhood care programmes, which provide food and other benefits to orphaned and vulnerable children who are not in school; (b) government school feeding for students in public primary and secondary schools; (c) orphaned and vulnerable children grants, which are paid directly to government secondary schools for tuition and examination fees; (d) emergency food aid from government; (e) old-age grants, unconditional cash transfers to all citizens over 60 years of age; and (f) disability grants.

The Plan recommends a comprehensive policy framework for social protection which takes into consideration the different types of vulnerability, pulling together the current mix of grants, restructure the system and remove ineligible people. The reform process is building on the several studies undertaken to review the current social protection system, lessons from COVID-19 experience, social challenges with increasing unemployment, increasing poverty and vulnerability. National Social Security Policy was approved by Cabinet in November, 2021 and the draft National Social Assistance Policy is yet to be approved. Given the structural fragmentation of the current social protection system, Government plans to strengthen institutions and capacities for delivery of effective and responsive social protection system. The aim is to improve on service delivery, strengthen the management information systems as well as improve collaboration between different MDAs so that central government departments can

[49] World Bank (2020), Toward Equal Opportunity: Accelerating Inclusion and Poverty Reduction, Systematic Country Diagnostic
[50] World Bank (2020), Social Assistance Programs and Household Welfare in Eswatini,
[51] UNICEF, 2018

effectively monitor service provision in all sectors with evidence of efficiency and effectiveness. COVID-19 experience has further underscored the need for this policy because of the losses in incomes and disruptions in working schedules for the working poor. It protects workers and families against a reduction or loss of income as a result of exposures to risks. The following strategies and programmes will be implemented in the planning period.

Key Sectoral Outcome Targets	▪ OVC grant for education will be fully targeted to all vulnerable children and covering all education expenses by 2024. ▪ Elderly grant to cover only vulnerable elderly persons and those vulnerable but may not be above 60 years. ▪ All disabled and vulnerable persons to be covered by social assistance programmes. ▪ Social security policy to be in place by 2024 ▪ Implement nationally appropriate social protection systems and measures for all

Strategy	Programmes / Interventions
Strategy1 - Improve targeting of social assistance programmes to ensure accuracy, ease and efficiency of implementation, legitimacy, and transparency	▪ Revise and operationalise policies and guidelines on accessing old age, people living with disabilities and educational grants and eliminate non-eligible recipients. ▪ Update and validate the National Social Security Policy ▪ Link OVC grant beneficiaries to other programmes meant for vulnerable groups enhance the schooling of vulnerable children and improve education outcomes, including making scholarships available ▪ Ensure all children are registered and obtain IDs to access government services especially education, health and social assistance programmes ▪ Use PMT-based targeting to demonstrate potential gains from targeting OVC education grants and elderly grants to the PMT-poor ▪ Targeting method used to administer programs shall be evaluated based on multiple criteria targeting accuracy, ease and efficiency of implementation, legitimacy, and transparency ▪ Investigate other mechanisms of ensuring that the vulnerable can access essential services (e.g. health, safe water, etc.) ▪ Finalise the National Social Assistance legislation to establish a framework to consolidate the various grant schemes into a comprehensive system provided to vulnerable groups ▪ Finalise and operationalise the National Social Assistance Policy by FY 2022/23
Strategy 2 - Strengthening the administration of social assistance programmes	▪ Develop and implement a single integrated social registry, along with an integrated management information system (MIS) to implement and monitor these programmes. ▪ Closely monitor and evaluate social programmes in order to strengthen their impact. ▪ Revise the beneficiary guidelines and implement accordingly by focusing social assistance to only the vulnerable groups. ▪ Promote programmes aimed at reducing human trafficking and exploitation. ▪ Promote programmes for improving service delivery for refugees and asylum seekers. ▪ Strengthen the national disaster early warning system and national disaster preparedness and response plans to be more resilient and responsive to adverse shocks. ▪ Monitor and track the integrity of emergency spending
Strategy 3 – Strengthen national social security system	▪ Accelerate interventions geared towards attaining Universal Health Coverage including National Health Insurance Fund (NHIF)

	▪ Implement mechanisms for ensuring that vulnerable groups such as the poor, elderly, disabled, mentally challenged and others have access to health through exemptions from paying health fees. ▪ Implement a social insurance employment injury scheme that covers all sectors of the economy under a Workmen's Compensation Insurance Fund. ▪ Strengthen the disability (invalidity) cover for all by introducing disability fund as a short-term social insurance scheme administered under a social security organisation. ▪ Design and implement a financially sustainable short-term unemployment insurance system for workers who lose their jobs due to risks. ▪ Facilitate the development of an Active Labour Market Policy basket of interventions including demand side measures to incentivize the employment of youth in the private sector and allow first work experience (such as youth subsidies)

Sectoral Outcome 7.9 - Affordable and quality housing accessible to targeted segments of the society

The right to adequate housing was first recognised with Article 25 (1) of the Universal Declaration of Human Rights and is relevant to all people. Adequacy in housing includes security of tenure, availability of services, materials, facilities and infrastructure, affordability, habitability, accessibility, location and cultural adequacy[52]. With the aspiration of SDG 11 (make cities and human settlements inclusive, safe, resilient and sustainable), the issue of providing an inclusive, safe, adequate housing that has access to utilities is essential to ensure improved human well-being. On the other hand, the nation faces an increasingly concerning problem of homelessness caused by a challenging governance system and poverty. An increasing number of people are evicted from the land they occupy either on SNL, private land and government land. According to official statistics, about 87 households (283 people) are homeless.

This NDP is raising these concerns and prioritises the following: (i) implementation of the Sectional Titles Act (2008); (ii) ensuring equitable access to shelter for all; (iii) ensure the vulnerable groups, youth and women are given equal access to resources like land so that they can be able to construct safe, dignified and sustainable houses; (iv) addressing construction of housing on hazard-prone areas such as water ways, road reserves, wetlands and steep slopes; (v) strengthening the approval for structural construction capacities for authorities on settlements and shelter placements to ensure these are planned properly, thus reducing impacts of natural environmental hazards and risks such as floods, landslides and structural collapse; and (vi) regulations and laws governing the use of environmental and social impact assessments. Seriously considering law enforcement and the recovery of wetlands will reduce impacts of natural environmental hazards and risks such as floods, landslides and structural collapse.

[52] Global Strategy for Settlement and Shelter 2014-2018

Key Sectoral Outcome Targets	▪ Protection of vulnerable people to prevent homelessness and destitution. ▪ Revision of construction legal and regulatory frameworks including building codes

Strategy	Programmes / Interventions
Strategy 1 – Improve access to safe and inclusive infrastructure	▪ Develop policy that allows equal access to resources that enable all vulnerable groups to have access to sustainable and safe shelter. ▪ Implement the Sectional Titles Act (2018) to ensure people have access to urban houses; ▪ Upscale and support NDMA housing infrastructure development programme; ▪ Enact and implement revised building codes to ensure climate proofed housing and safe buildings; ▪ Implement integrated waste management for resilient ecosystems, reduced pollution, and healthier communities ▪ Renovate all government houses that need attention by 2027 and ensure they are in a habitable state; ▪ Facilitate programmes that will promote citizens construct safe houses through ensuring access to finance, and; ▪ Support programmes for persons with disabilities to have habitable houses
Strategy 2 – Ensure compliance to environmental regulations when implementing infrastructure	▪ Build capacity at institutional level and community level for mainstreaming climate change into infrastructure development ▪ Develop nature-based solutions for infrastructure for adaptation benefits and disaster risk reduction to enhance resilience ▪ Ensure implementation and enforceability of environmental laws and policies to ensure construction infrastructure is compliant, and; ▪ Promote collaboration between Eswatini Environmental Authority (EEA) and local leaders to ensure placement of people for infrastructural development is on environmentally approved locations as a means of sustainable managing natural resources and keeping people safe.

CHAPTER 8
Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law

National Outcome 4 - Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law	Sectoral Outcomes	Strategies
	Transforming the public sector to be an efficient, productive, dependable and modern service provider	1. Efficient delivery of general public services and sensitive to climate change, environmental management and other cross-cutting issues 2. Restructure the public service for efficient and effective delivery of services 3. Establish and promote strategic cooperation with stakeholders to improve on governance, efficiencies and service delivery
	Investing in a secure and safe country and living environments for urban and rural communities	1. Create secured and safer living environments for communities/general population to prosper 2. Strengthen national security and safety
	Strengthened Implementation and Enforcement of Human Rights, Law and Order and Constitutionalism	1. Combat corruption across the public sector 2. Ensure improved equal access to justice as well as an improved operational case management system. 3. Fast track the alignment of existing and new laws to the Constitution and to international standards
	Enhancing service delivery with focus on improving citizens livelihoods	1. Enhance service delivery with citizens at the centre 2. Invest in nation building and unity
	Rural and community development	1. Ensure efficient and effective decentralisation of services 2. Align RDF with poverty reduction initiatives and local level development needs

Government as an institution is expected to exercise its powers in the interest of developing the country and its people, achieving economic and social development whilst ensuring political stability. Good governance is the antidote needed by Eswatini to move towards economic recovery trajectory, peace and political stability, social cohesion and national unity, accelerated development in economic, political and social sectors of the Swazi nation. Achieving efficiencies and effectiveness of the socio-economic and political environment will promote social order and restore peace and stability. A stable, predictable and secure political environment is a prerequisite for socio-economic development and happy citizens who feel secure and safe in their environment. To attract foreign investment whilst encouraging domestic investment expansion, the country has to experience peace and stability with guarantees of security and property rights over their investments. The rule of law enshrined in the Constitution, is the foundation that sets the parameters of government authority and powers for the three arms of government, such that all institutions and citizens are subject to a set of laws and government actions are predictable, reasonable and delivered with respect.

As the main governing body, Government has a responsibility to create a stable and conducive environment for the private sector to create decent jobs for the population especially the youth which is 72.9 percent of the population and about 58.9 percent are unemployed. In addition, civil society and media should be able to transcend the state by ensuring transparency, accountability, and respect for human rights, justice and the rule of law. This therefore means that the three organs of the state work together to ensure that the country's image is restored, investors are assured of security of their investments, people live fulfilling lives free from poverty, sickness, exploitation, oppression and any other inhumane actions.

According to the international commitments[53] made, Government agreed to the implementation of the principles of good governance including national security, protection of human rights, respect for rule of law, transparency and accountability, government effectiveness and constitutional democracy. The weaknesses in governance - how national and local administration is run, public service delivery, legal frameworks is critical in all aspects of sustainable development. The NDP has identified a number of factors contributing to poor implementation of reforms and deteriorating service delivery standards, and includes the skills and capacity - human, institutional, technical and financial. This has escalated over time and worsened by the fiscal crisis. The consequences are poor service delivery and a demotivated among public service.

Good governance in this case means being an efficient and effective government whilst also being up-to-date with reforms of the legal and regulatory framework. For instance, a lot of international agreements have been signed and commitments made, however, internal stakeholders especially communities have to be consulted and their inputs considered. Application of these agreements without adjustments or domestication has caused social challenges.

Sectoral Outcome 8.1 – Transforming the Public Sector to be an Efficient, Productive, Responsive and Modern Service Provider.

The public sector plays a vital role in giving policy guidance on the development direction and in the provision of public goods, such as macroeconomic management, coordinating private sector activity, national security and safety, defense, public order, property rights and environment protection. Thus, weak governance and poorly functioning public sector institutions are major constraints to equitable development. Quality and standards for public service delivery has deteriorated over the past decade due mainly to the fiscal crisis – cashflow challenges and lack of resources for operations with budget catering mainly for personnel costs. Government is widely known currently for inefficiencies, lack of innovation, red tape, bureaucracy and laxity hindering investment growth and service to citizens. In addition, it is perceived to be removed from knowing and addressing the needs of the populace, and

[53] UN Agenda 2030 and AU Agenda 2063

corrupt with public servants expecting bribes for work done. Long queues are reflective of sub-standard service impacting on business and the whole population, Poor service delivery has become a norm in some parts of government with a few spots of excellence and a silo-based approach to planning and delivery of services. This sectoral outcome seeks to redefine the government service delivery into one that is characterised by quick turnaround times to policy changes and service needed by the public, a government that works collaboratively in a sector wide approach to planning and budgeting, technologically inclined, one that is customer centric and results driven as well as sensitive to gender, climate change and gender related issues.

As government services deteriorated and the fiscal crisis worsened, public servants got under greater public scrutiny because investors and citizens became increasingly aware and aggravated about the quality. Resultantly, public service delivery needs to be reformed to introduce a culture of excellence to enable appropriate response to the demands of stakeholders. The aspiration is to build effective, accountable and inclusive institutions and the strategic trajectory taken by this NDP is to the effect that the public service delivers effectively and efficiently through clean recruitment, innovation, improved performance management systems and visible leadership. The strategy on a reformed and reorganised civil service is focused on ensuring that the government is lean, efficient and effective, ethical, that resources are adequately used and are not abused by the people in charge of them. Lastly, the strategic directions taken by the Plan is to improve in international relations and ensure that strategic relations between the country and the international world are strengthened for the benefit of emaSwati.

Key Sectoral Outcome Targets	▪ Government effectiveness index improved from - 0.77 (2020) to -0.4 in 2027[54] ▪ In 2021, Eswatini ranked 141 out of 180 countries on human rights to improve to 100 out of 180 in 2027 ▪ Modernisation of government services leveraging on ICTs and transforming the country to an information and knowledge economy, 80% online services by 2027

Strategy	Programmes / Interventions
Strategy 1 – Efficient, modern and secure delivery of general public services	▪ Build strong institutions that will improve services, uphold ethical principles, be effective, accountable and transparent ▪ Intensify investment for a robust ICT infrastructure across government ▪ Build capacity to strengthen the e-government network system to facilitate efficient delivery of public services ▪ Fast track the development of a knowledge management platform to make e-government information available online ▪ Create and manage digital communication platforms ▪ Review and implement the e-Government Strategy as well as finalise and implement the Change Management Strategy and Plan ▪ Review business processes for effective introduction of e-services ▪ Mainstream climate change and environmental issues across the public service ▪ Promote the alternative service delivery programme and the one-stop shop service delivery mechanism

[54] Captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies.

	▪ Strengthen exchange programmes with other security agencies at regional and international level ▪ Promote programmes for improved service delivery of immigration and civil registration offerings ▪ Improve the security forces' recruitment policy to set minimum standards Rollout the Performance Management System and M&E framework within government on an incremental basis
Strategy 2 – Restructure the Civil Service for efficient and effective delivery of services	▪ Orient new public servants and politicians about government – what it is, policies, mandates, responsibilities, community service and how business is conducted ▪ Appoint competent staff to appropriate and senior positions on a performance based contractual arrangement to attract and retain talent in specialised and critical fields ▪ Streamline public sector training for greater specialisation and reward accordingly ▪ Realign posts and positions to align the civil service to 21st century demands (re-align posts, abolish outdated ones, redundancies and make structural gains from e-government services) ▪ Pilot and rollout fingerprint-based biometric system to provide accurate headcount audit of all salaried public servants in all ministries to remove ghost employees ▪ Strengthen senior leadership accountability at all levels of government ▪ Transform the SIMPA into a centre of excellence for training, up-skilling and continuous learning of all public servants ▪ Promote an integrated performance management system with clear incentives for excellence and corrective measures for poor/under performance ▪ Implement change management interventions to re-cultivate a cultural change in doing business, attitudes, drivers and behaviours ▪ Establish new transport/fleet management systems
Strategy 3 - Establish and promote strategic cooperation with stakeholders to improve on governance, efficiencies and service delivery, for the benefit of the Swazi nation.	▪ Strengthen engagement with Public Sector Associations, civil servants and other stakeholders e.g. the youth on reforms and effective implementation ▪ Establish a formal mechanism for engaging civil society, traditional leadership and communities on development issues, policy, national budget, programmes and projects ▪ Create an enabling environment for promoting cordial partnerships with development partners and international organisations ▪ Invest in improvements of the country's image by engaging all stakeholders in the various development issues for consensus building, focus and ownership ▪ Promote good governance as a panacea for peace and stability ▪ Strategically place and staff diplomatic offices to cover a substantial number of countries and a range of issues – image, investments, trade, aid, etc ▪ Develop official electronic and paper documentation of national events for archiving and promoting future events internationally and locally

Sectoral Outcome 8.2 – Investing in a Secure and Safe Country, and Living Environments for Urban and Rural Communities

National security and a shared national identity are also essential components of good governance and crucial for socio-economic development, peace and stability. It creates an enabling environment in which effective and advanced governance can take place, and provides a conducive environment for investment, economic activity and social stability. Private investors are assured of security of their investments, foreigners and tourists of their safety, and nationals can move freely and undertake activities free from fear of being killed, violence and evictions. In addition, security impacts positively on the physical safety and advancement of women, girls and the boy child. They should be able to move freely without the threat of murder, abuse and violence.

Following events leading to political unrest in 2021; national unity, peace and stability, security and respect for the rule of law are key challenges. While much has been achieved in the country over the years as discussed in the NDP, more remains to be done to ensure an accountable, transparent and responsible governance system, which respects human rights and fosters the application of law and order, as well as the management and performance of the public service. Significant improvements are expected in these areas that will strengthen overall progress and ensure that services and support are delivered more efficiently, effectively and equally to all groups, ensuring a sustainable use of resources (fiscal discipline) and management of the environment.

Key Sectoral Outcome Targets	▪ Strengthened national security to protect assets, property and people ▪ Strengthened the capacity of security agencies to address emerging security threats ▪ Enhancing crime prevention by enforcement agencies, private players, and the public to elevate perception of feeling safe

Strategy	**Programmes / Interventions**
Strategy 1 – Strengthen national security and safety	▪ Create a safe, secure and resilient cyber space that supports the information society and socio-economic wellbeing of the country ▪ Improve relationship between security forces and the nation, build trust and collaboration ▪ Facilitate the strengthening of security mechanisms and systems nationally and for Government ministries & departments ▪ Facilitate procurement of appropriate private security companies for the provision of physical and technical security services for Government entities. ▪ Conduct security awareness for government ministries and departments. ▪ Strengthen security risks assessments to ministries and all residential places of Cabinet Ministers and senior officials
Strategy 2 – Create secured and safer living environments for communities/general population to prosper	▪ Develop National Security Policy and Strategy to bring together government and private providers ▪ Enhance crime prevention through collaboration between security forces, private security providers and the public, promoting crime awareness for effective prevention ▪ Enhance crime prevention by enforcement agencies, private players, and the public ▪ Nurture national spirit for social cohesion and unity ▪ Intensify stakeholder engagement to build a shared sense of responsibility ▪ Strengthen security risk assessment and periodical security inspection to strengthen national security and safety for national assets, private properties and individuals ▪ Enhance rehabilitation, treatment, and after-care to reduce re-offense among ex-inmates and degeneration among drug addicts

	▪ Improve the engagement of stakeholders ensuring their participation, voice and contributions as well as shared responsibility.

Sectoral Outcome 8.3 – Strengthen Governance of the Judiciary System to Enforce Respect of Human Rights, Law and Order and Constitutionalism

Access to justice and prompt resolution of cases requires more attention because without an honest, fair, efficient, effective and responsive judicial system, access to justice is not guaranteed. Some of the delays are related to the backlog in aligning laws to the constitution as well as the capacity. Despite the progress that has been made in improvements by establishing the Law Reform Commission and starting on the creation of the case management system, many concerns are biased towards the administration – independence and accountability which is of major importance. The poor and rural people are easily denied justice due to the cost of accessing it and the long delays in attending to their cases. Through this outcome the country seeks to operate within a modernised justice framework that ensures confidence in the judicial system thus contributing to socio-economic development through zero tolerance to corruption; improved access to justice for all and adherence to human rights principles. To this end, the sectoral outcome will be achieved through a number of strategic interventions.

The strategy on access to justice for all will focus specifically on ensuring that all Swazi citizens' access justice by ensuring courts are capacitated and decentralised, to reach the people and address their needs timeously. There is a serious backlog in updating legislations in the country and a need for a capacitated body such as the Law Reform Commission to ensure that these laws address the present, future and emerging issues affecting the society.

Key Sectoral Outcome Targets	▪ Increased adherence to Constitutional dictates increased by 20% annually ▪ Improve on governance and combat corruption – make progress ranking in the Corruption Perception Index ▪ To reduce criminal activities and improve credibility of the justice system
Strategy	▪ Programmes / Interventions
Strategy 1 – Combating corruption across the public sector	▪ Implement urgently the National Anti-Corruption Policy ▪ Harmonise the activities of and strengthen Anti-Corruption Commission and CHRPA ▪ Increased controls and auditing over public sector procurement ▪ Conduct lifestyle audits ▪ Adequately resource Internal Audit and Auditor-General offices ▪ Increase resources and specialisation of courts to reduce backlog of cases ▪ Increase use of e-government and digital means to deliver services
Strategy 2 - Ensuring improved equal access to justice as well as an improved operational case management system	▪ Promote timeous state reporting to treaty bodies ▪ Equip and staff the National Mechanism for Reporting and Follow up (NMRF) ▪ Develop and operationalise case management system as well as developing strategies to reduce cases processing time ▪ Capacitate and invest in technology in all courts including Swazi National courts, clear out backlog and ease pressure on Correctional Services

	▪ Encourage collaboration between Police, Correctional services and Judiciary to curb increase in crimes ▪ Establish a legal aid system and programmes which will also support vulnerable groups especially children, youth and women; and ensure its sustainability ▪ Educate the public about the differences and roles of the traditional justice system and the common law courts ▪ Decentralise the justice system through the construction and rehabilitation of courts to improve service delivery and working environment ▪ Embrace a multi-sectoral approach to the response to people trafficking and people smuggling and raise public awareness and provide victim care, support and assistance ▪ Review of National Strategic Framework and Action Plan to Combat People Trafficking ▪ Strengthen collaboration between ministries, development partners and Secretariat
Strategy 3 - Fast tracking the alignment of laws to the Constitution and to international standards	▪ Promote the alignment of laws to the Constitution and international standards ▪ Mainstream and integrate technology within the justice system ▪ Ensure that the Law Reform Commission speeds up alignment of laws with Constitution and programmes implementation

Sectoral Outcome 8.4 - Enhancing Service Delivery with Focus on Improving Citizens' Livelihoods

For the country to have a healthy, skilled, educated and productive citizenry, government service delivery should be efficient, effective and well resourced. The objective of enhancing service delivery by the Government is to achieve seamless delivery of services, increased customer satisfaction, takes care of the vulnerable, increased efficiency and reduced cost. Poorly functioning public sector institutions and weak governance are major contributors to inequitable development and that has been a major concern highlighted in the past NDP. Weak performance, unsatisfactory work ethics in the public sector that does not adequately respond to the needs of citizens and the private sector coupled with low accountability for results or outcomes are major concerns. Improving public sector performance and effective responsiveness to citizen needs requires strong leadership, productive and honest public servants, strong systems and regulatory framework, and resources required. Improving public sector performance is possible if the public servants are accountable for results and if citizens demand accountability for results and value for money. Government architecture and systems needs to be reformed to be lean, productive, efficient and effective as well as people-centred.

Government is establishing systems to monitor public servants performance, reward good performers and re-train those under-performing. In addition, changing the governance environment with strengthening the fiscal situation with the FAP, and mobilising financial and technical assistance from development partners to assist with formulation and implementation of reforms will be pursued.

Key Sectoral Outcome Targets	▪ Investments in human capital development and safety nets to grow by 40 percent by 2027 ▪ Nation building and unity to restore peace and stability ▪ Programmes for youth empowerment and protection of vulnerable groups to grow by 20%

Strategy	Programmes / Interventions
Strategy 1 – Enhance service delivery that is citizen- centred	▪ Enhance citizen engagement in identification of issues and creative solutions ▪ Engage private sector on skills gap identification and establishing partnership ▪ Improve public sector performance and effective responsiveness to citizen needs by prioritising SDGs and poverty reduction programmes ▪ Government institutions to be strengthened and held accountable for results and not processes which are largely the focus ▪ Realign and right size the public service for better productivity, capabilities and eliminating overlaps ▪ Prioritise human capital development, skills development for children and youth; and social safety nets for vulnerable groups
Strategy 2 – Invest in nation building and unity	▪ Promote accountability and transparency in allocation and utilisation of national resources ▪ Solve chieftaincy disputes not to interfere with programme and project implementation ▪ Prioritise implementation of SDGs, poverty reduction and disaster risk reduction initiatives ▪ Respect citizens' rights as enshrined in the Constitution but ensure beneficiaries are aware they come with responsibility ▪ Ensure gender equity and empowerment of both girl and boy children ▪ Provide enabling environment for youth empowerment and employment creation

Sectoral Outcome 8.5 - Rural and Community Development

Rural and community development is aimed at improving lives of rural people, fighting poverty and inequalities. It can have far reaching outcomes on the lives of the people and society, but that depends on a change of their mindset with communities embracing development initiatives, and showing appreciation of the country's development agenda and increased awareness for ownership. This may call for change of attitudes, norms, practices and behaviours to create sustainable community solutions and build a strong cultural identity, common tradition, values and ethics. Sharing a common development vision, adoption of a productivity culture, caring and being compassionate, a national value system subscribed to by every citizen.

In 2006 Government introduced regional development planning and decentralisation in order to bring services closer to the people. In addition, government introduced the Poverty Fund and the Regional Development Fund (RDF). The goal of this programme therefore is to empower families, communities and citizens to embrace national values and actively participate in sustainable development.

To facilitate bringing services closer to the people, Government produced the Decentralisation Policy to guide implementation and meaningful impact has been made through the RDF as MDAs took services nearer to the people. With time, availability of funding has been a constraint. Decentralisation, if effectively implemented and resources efficiently utilised has a big potential to reduce poverty in rural areas, accelerate socio-economic development, reduce gender inequality and empower women and the youth. By its nature, it should strengthen national and local democracy while promoting good governance principles because it should allow the people to govern their own affairs in line with their development priorities. In addition, it allows local government to make development choices, act on them effectively and accountably. But there are challenges which have caused delays in full roll-out.

Key Sectoral Outcome Targets	▪ Efficient and effective decentralisation of services, responsive to population dynamics and technological advancement improved by 50% by 2027 ▪ Capitalising on local authorities (municipalities and tinkhundla/chiefdoms) for quality services at the local level ▪ Aligning RDF with poverty reduction initiatives and local level development needs by 80%

Strategy	Programmes / Interventions
Strategy 1 – Ensure efficient and effective decentralisation of services	▪ Prudently decide on type and size of service to decentralise and mode of delivery in line with fiscal consolidation measures to ensure efficiencies and effective service delivery ▪ Enhance compliance to environmental legislation considering climate change and disaster risk threats ▪ Review legislations and policy that empowers chiefs, MPs and traditional structures on the development mandate. ▪ Strengthen accountability for results across government; ▪ Streamline government structures and institutions for efficient and effective service delivery; ▪ Use e-government services and civil society wherever possible for efficiency. ▪ Strengthen human resource management function of Government for improved service delivery; ▪ Empower and improve accountability of local authorities ▪ Deepen decentralisation and citizen participation in local development; ▪ Increase transparency and eliminate corruption in the delivery of services.
Strategy 2 – Align RDF with poverty reduction initiatives and local level development needs	▪ Ensure that RDF is utilised as a vehicle for poverty reduction in communities and prioritises their development needs ▪ Draw efficiencies and align with poverty reduction initiatives and SDGs as part of overall community development ▪ Support youth and women empowerment initiatives inclusive of boys and girls ▪ Align with human capital development projects and programmes ▪ Promote transparency and public accountability; voice and participation in the development of projects and monitor resource utilisation ▪ Increase transparency and eliminate corruption in the delivery of services ▪ Reduce poverty through sustainable use of natural resources, improved access to markets and improved disaster and risk management systems

CHAPTER 9

Well Managed Natural Resources, Environmental Sustainability and Disaster Risk Management

National Outcome 5 - Well Managed Natural Resources, Environmental Sustainability and Disaster Risk Management	Sectoral Outcomes	Strategies
	1 - Improved management of water resources, access to safe drinking water and sanitation for all	1. Increase coverage and access to safe drinking water 2. Effectively and efficiently manage and regulate water resources 3. Increase capacity of bulk water storage through investment in multi-purpose dams and promote water harvesting technologies
	2 - Improved Land Governance, Land Use Planning and Management	1. Increase provision of land for productive activities. 2. Improve land management and administration to undertake appropriate land use
	3 - A more equitable, inclusive, sustainable and appropriate management of energy, renewable and non-renewable natural resources	1. Provide sufficient legal, policy and institutional framework for private sector investment 2. Ensure sustainable management and efficient use of mineral resources 3. Conserve natural resources for present and future generations 4. Ensure adequate supplies of energy
	4 - Improved National and Community Resilience to Climate Change and Natural Disasters	1. Strengthen resilience against climate and natural disasters 2. Strengthen the enabling environment for green growth 3. Formulate a resource mobilisation strategy 4. Effectively monitor, coordinate and disseminate information using a multi-hazard early warning system 5. Enhance coordination for low carbon development pathway and facilitate a climate change resilient economy
	5 – Clean and Safe Environment and Sustainable Use ofNatural Resources Enhanced	1. Enforce legal framework for a clean, safe environment and natural resources management 2. Facilitate effective environmental monitoring through the establishment of accredited laboratories

Natural resources hold all the facets to socio-economic developments. Therefore, improving on management and administration of natural resources is critical for improved preservation, conservation and access to land for investors and communities, clean air for people's health, provision of water for agriculture purposes, and provision of renewable sources of energy and adapt to climate change conditions.

This NDP is laying the foundation for sustainable economic growth, to mitigate against increased frequency and intensity of climate related disasters that have an impact on the livelihood and safety of the people. This highlights the need for climate adaptation, mitigation and building resilience, strengthening disaster risk management, addressing gaps on how it is assessed and prepared for, and involving communities and the private sector. Insufficient consideration of social and environmental costs in certain socio-economic development projects also undermines the natural asset base and causes ecological degradation, ultimately creating a detrimental impact on people. Enhancing conservation of the nation's ecological assets is critical to ensure the sustainability of growth and to act as defense against natural disasters. The Plan seeks to integrate climate change adaptation and mitigation measures into planning, budgeting processes whilst building resilience to impacts. Natural resources will be well managed and administered with due consideration for present and future generations. To support socio-economic development, it provides a base for growth and development, food for the nation and has proper advanced methods for waste disposal to maintain a clean safe secure environment.

Water is a precious natural resource which is becoming increasingly scarce. Availability and access to water services has been one of the priority issues that the government has strived to address as water quality and quantity are the two main parameters that define the social and economic health of a society. Water resources governance, management, and increasing water storage infrastructure have been highlighted as a priority in the outgoing national development plan.

Sectoral outcome 9.1 - Improved management of water resources and access to safe drinking water and sanitation for all

As a basic need, clean water, basic toilets and good hygiene practices are essential for good health and are a sign of dignity for emaSwati, whilst it is for survival for children. According to UNICEF (2019), water and sanitation-related diseases are one of the leading causes of death for children under five years of age. Only 69 percent of the population has access to basic water services (37 percent for safe drinking water) and only 58 percent have access to proper sanitation with 11 percent open defecation and only 24 percent of households practice handwashing. Nearly 30 percent of the overall households and 40 percent of these households are poor, use shared or unsafe drinking water sources. This percentage is the highest in Shiselweni at 40 percent and Lubombo at 32 percent. Despite the discouraging situation of a daunting task of achieving universal access to potable water, proper sanitation and hygiene by 2030, given current levels of investment, coordination, national partnerships and climate variability, Government is committed to influencing national behavior change toward good hygiene practice and ending open defecation. However, it is noted they remain a national challenge. There is also a big disparity in the access between urban - rural communities and growing informal settlement around the urban centres.

This strategy aims to improve coverage, access, availability and affordability of WASH services ensuring that health outcomes are greatly improved. Therefore, improved management and access to safe drinking water and sanitation is essential for the nation to be healthy and productive. However, given the levels of poverty and unemployment may result in decline in numbers accessing clean water due to evidence of increasing water prices. The prevalence of drought and floods in the recent past calls for the need to strengthen institutions and improve on the regulatory framework for this important resource.

This sectoral outcome is addressed in Chapter 6 as a component of enhancing human development to result in sustainable livelihoods. The strategies to be implemented in the medium term will focus on ensuring that precious natural resources are well managed through primarily the full implementation of the Water Act and other policies.

Sectoral Outcome 9.2 - Improved Land Governance, Land Use Planning and Management

Land is the most important productive asset available to the majority of emaSwati to use to support their livelihoods and is a prerequisite for agricultural production, human settlement, industrial and commercial production as well as for conservation areas. Land is therefore a key resource for the country and needs to be conserved for the development of Eswatini's economy which is predominantly agriculture based. A majority of the Swazi population resides in the rural areas and the land resource is a critical means for survival in terms of meeting their livelihoods. There is need to drastically update and enforce land governance systems for improved land planning and management in Eswatini.

Eswatini became one of the countries that are undertaking the United Nations Convention to Combat Desertification (UNCCD) Land Degradation Neutrality (LDN) target setting process. Under this process the country set Voluntary National Targets for achieving land degradation neutrality, which is a state whereby the amount and quality of land resources, necessary to support ecosystem functions and services and enhance food security remains stable or increases within specified temporal and spatial scales and ecosystems.

The land policy still remains in draft form and has delayed progress in addressing land related emerging challenges. These include non-adherence to the land use planning policy, encroaching on arable land using it for real estate and settling homesteads in rural areas at the risk of food security.

Key Sectoral Outcome Targets	▪ Government idle farms leased out to independent farmers, one per year (out of 23) ▪ Develop a Natural Resource Development Strategy by 2027 ▪ Revised land use planning policy and law in place and functional by 2025

Strategy	Programmes / Interventions
Strategy 1 - Improve provision of land for productive activities.	▪ Ensure finalisation of the review of all land related legislation. ▪ Registration of land use rights on SNL and TDL ▪ Up-scale systematic flow of spatial information and build capacity of traditional authorities to understand, access and utilise geo-spatial information ▪ Legislate against sale of Swazi Nation Land and strengthen legal framework to ensure protection of land in critical ecosystems (wetlands, flood plains, river banks, watershed areas) ▪ Formalise the leasing of idle government farms and SNL for agricultural production ▪ Establish long term biodiversity conservation, landscape management and natural resources management through actions including increasing Protected Area Network and assess climate resilience of the protected areas to identify valuable ecosystem services be managed

	▪ Reduce land degradation (including in mountain ecosystems) through restoration including tree planting and improving livelihoods through better livestock management.
Strategy 2 - Improve Land Management and Administration	▪ Update governance systems and enforce legal framework to protect areas classified as special and sensitive ▪ Adequately finance the Land Administration and Management project to cover the whole country ▪ Revise the national, regional, and chiefdom/municipal land use planning maps, develop policy and draft appropriate laws ▪ Review and approve the draft land policy ▪ Build capacities for traditional authorities on sustainable land use and management ▪ Promote the use of geo-spatial and other technologies in the management and administration of land

Sectoral Outcome 9.3 - A More Equitable, Inclusive, Sustainable and Appropriate Management of Energy, Renewable and Non-renewable Natural Resources

Eswatini has adopted a development trajectory underpinned by principles of sustainable utilisation, production and consumption of resources provided by the universe. This sectoral outcome is founded on such principle that meanwhile the country aims at poverty reducing economic growth that integrates social and environmental considerations, the ability to ensure that future generations meet their own future needs is not compromised. It seeks to ensure appropriate management of renewable and non-renewable natural resources to meet human development goals while also sustaining the ability of such natural systems to provide the natural resources and ecosystem services on which the economy and society depend. This outcome is therefore critical for all the other national outcomes since human development indices take into consideration issues of the environment when defining improved standards of livelihoods for the people of any country.

The Plan has prioritised a strategic position that seeks to strengthen the legislative and institutional framework with the aim to ensure a more equitable, inclusive and appropriate management of renewable and non-renewable natural resources. The focus will be on developing sustainable resource management of all available resources and ensure effective participation of all stakeholders for optimal benefit.

This NDP recognises that energy is a key driver for economic growth since production and consumption activities utilise energy as a basic input for economic development. Also, SDG 7 refers to ensuring access to affordable, sustainable, reliable and clean energy for all. Despite being endowed with conventional (coal[55]), and renewable energy resources such as solar, hydro and wind, Eswatini currently imports about 70 percent of its power from South Africa and Mozambique. If fully exploited, these resources have the potential to be able to fully meet the national electricity demand and further potentially provide for

[55] Thermal project abandoned due to commitments made in the NDC to reduce carbon emissions

export to Eswatini's neighboring countries[56].

Under this current plan the focus will be on development of local capacity for optimal energy generation and storage facilities for petroleum products at reasonable cost. The continued increase in energy prices has impacted on the cost of doing business in the country through the transmission effect of international oil prices and drought conditions that have affected domestic electricity supply. Lastly, the focus will be to develop and enforce the legislative and regulatory framework to ensure imported petroleum products meet required quality.

Minerals are another resource to consider for improved management to contribute towards increased economic growth, job creation, exports and social development for the surrounding communities. While the exploitation of resource destination can be placed on extraction of raw materials, greater benefits can flow from a natural resource management where resources such as minerals are processed locally. Additionally, this NDP aims at promoting local beneficiation through value addition on minerals.

Key Sectoral Outcome Targets	▪ To increase the exploitation and beneficiation of mineral resources by 2024 for national benefit. ▪ Percentage of energy consumed and sourced from locally generated renewable energy increased to 30%. ▪ Electricity price inflation stabilised at below 8% on average per year.

Strategy	Programmes / Interventions
Strategy 1 - Sustainable management and efficient use of mineral resources	▪ Conduct exploration and quantification of mineral resources across the country and attract investment in mining and value addition ▪ Increase adoption and use of appropriate and affordable technology along the value chain including clean energy and energy saver technologies; ▪ Strengthen the legal and regulatory framework as well as the human and institutional capacity; ▪ Improve inspection programmes at mining and quarrying operations to increase productivity ▪ Expand mineral based processing and marketing
Strategy 2 - Conserving natural resources for present and future generations	▪ Ensure security of natural resources for future sustainability ▪ ensure alternative livelihood for indigenous and local communities ▪ Adopt a sustainable consumption and production concept for security of future generations ▪ Invest in renewable energy projects to increase their share to 50% in the electricity mix through the adoption of solar, wind, biomass, hydro, and solar water heater technologies
Strategy 3 - Sufficient legal, policy and institutional framework for private sector investment provided	▪ Strengthen policy, regulatory and institutional framework to support regulation, investment and private sector participation in green growth ▪ Build capacity to regulators to manage the environment and the natural resources therein. ▪ Build capacity for private sector involvement in the management of natural resources ▪ Enforce compliance to technical guidelines for products specification ▪ Assess private sector engagement requirements, and promote disclosure of climate risks, opportunities, and adaptation

[56] State of the Environment Report (2020)

	▪ Devise an appropriate subsidy system to ensure access to basic needs, such as clean water, sanitation, and health care, especially in rural and more remote areas, to leverage private interest. ▪ Include climate resilience as a criterion for developing, selecting, and prioritising PPP projects. ▪ Provide/develop incentives for the private sector to support the purchase of climate technologies and the implementation of climate actions along with business and production.
Strategy 4 – Adequate supplies of energy assured	▪ Ensure efficiency, accessibility, affordability and sustainability of all energy sources ▪ Ensure sufficient stock of the petroleum product reserves to meet at least 3 months' requirements ▪ Introduce commercial use of 10% ethanol blend in petrol ▪ Optimise transmission and distribution network strengthening and development and the reduction of technical and non-technical losses. ▪ Optimise local generation, imports and exports maximising the country's economic interest. ▪ Increase local power generation ▪ Promote projects inclined to global financing facilities e.g. Green Climate Fund ▪ Implement small scale, decentralised renewable energy technologies in rural areas to improve energy access and reduce unsustainable wood harvesting practices

Sectoral Outcome 9.4 - Improved National and Community Resilience to Climate Change Impacts Disaster Risks

Eswatini is experiencing the devastating impacts of climate change and extreme weather conditions despite contributing extremely negligible contributions to historical GHG emissions. This poses significant immediate and long-term threats for the environmental and socio-economic health and stability of the nation. The climate crisis is the defining challenge of the modern-day era, and will inform all policy and socio-economic development decisions for decades to come. There is increasing pressure to classify climate change as an official emergency in order to fast-track political will and policy for collective global and national action[57].Eswatini is already suffering from the adverse impacts of climate change[58]. Climate trend analysis since the 1960s on daily maximum and minimum temperatures show temperature patterns to have warmed up over most of the country in the past decade, significant variations in precipitation patterns, higher temperatures, and increases in frequency and intensity of severe weather events such as droughts, floods and cyclones are already being experienced. These weather events are expected to increase with climate change. The Government of Eswatini has put in considerable effort to respond to climate change since the last national development plan. The National Climate Change Policy as well as the National Climate Change Strategy and Action were formulated.

[57] Barry and Morgan, 2020; Ripple et al., 2019

[58] According to Eswatini's Third National Communication (2016) to the United Nations Framework Convention on Climate Change (UNFCCC)

These provide a framework for addressing national climate change challenges through an integrated and participatory approach.

Climate change is projected to have severe consequences for the agriculture sector and thereby affecting food security. Drought and floods are already identified as the most frequent perils and has caused the greatest economic losses and the highest death toll in terms of crops and livestock. The Government of Eswatini declared national states of disaster due to drought in 2001, 2007, 2015/16, and 2019 with the drought problem now occurring every second year in Eswatini. There is need to build adaptive capacity for the agriculture sector and strengthen their resilience to cope with the projected impacts of climate change.

Evidence on climate change has provided a clear indication that the continued increases in greenhouse gas concentrations are leading to increases in climate related disaster risks and in particular extreme weather events. The extreme weather events are responsible for disasters and most of the disasters experienced in Eswatini are climate related disasters. With the predicted climate changes, the occurrence and scale of these disasters and their associated impacts in the future maybe exacerbated. Eswatini is prone to different forms of disasters risk including droughts, hailstorms, windstorms, lightning, floods and fires, with drought being the most common and recurring disaster. Droughts negatively affect national food security, water availability and hydro power generation leading to significant losses in livelihoods that may lead to secondary hazards such as health and nutrition.

Strengthening the early warning monitoring system is part of key priorities of the outgoing national development plan. The installation of 20 automated weather stations in collaboration with the meteorology department has seen an improvement in the seasonal climate outlook forecast, including the issuance of the Lubombo early warning system monthly bulletin.

Key Sectoral Outcome Targets	▪ Assured availability of adequate and reliable quality fresh water resources for all uses by 2027 ▪ Increased forest, tree and wetland coverage, protect mountain ecosystems and rangelands through rehabilitation ▪ Improvements of 50% in restoring a clean, healthy, and productive environment by 2025 ▪ Improved resilience to climate change and disaster risk and reduced Greenhouse Gas emission ▪ Reduce human and economic loss from natural hazards and disasters

Strategy	**Programmes / Interventions**

Strategy 1 - Strengthening resilience against climate change and natural disasters	▪ Ensure availability of adequate and reliable quality fresh water resources for all uses ▪ Promote research, innovation and adoption of green appropriate technology to foster sustainable use and management of all ecosystems ▪ Implement national conservation strategies for threatened/endangered species and restoration of natural habitats with support and participation of local communities and indigenous peoples ▪ Integrate environmental management and climate change adaptation in all community development interventions ▪ Mobilise and significantly increase financial resources from all sources to conserve and sustainably use natural resources ▪ Strengthening disaster risk management (DRM) ▪ Formulate green and climate change resilient and mitigative building codes for the housing sub-sector. ▪ Reduce climate change vulnerability and increase resilience through the implementation of poverty alleviation programmes ▪ Manage alien/invasive species using the National Invasive Alien Plant Species Strategy to enhance productivity of rangeland, riparian areas, and preservation of endemic species ▪ Develop and continually update risk and hazard maps and collect data through research for risk reduction
Strategy 2 - Strengthening the enabling environment for green growth	▪ Formulate and strengthen relevant policies and legislation ▪ Intergrate NDC into national planning and budgeting documents, as well as processes ▪ Strengthen disaster risk management and financing mechanisms ▪ Encourage widespread adoption of green buildings criteria ▪ Adopt sustainable waste management strategies by managing waste holistically by encouraging re-use, reduce and recycle ▪ Create an FDI incentive package that attracts green growth, products and services. ▪ Research, ascertain and invest in the most relevant areas of priority for Eswatini to engage in the development of higher value aggregate products and services (for local consumption and export). ▪ Strengthen conservation, restoration of forests, wetlands and water catchments and hilly and mountainous areas: ▪ Reduce adverse per capita environmental impact of cities with maintenance of habitable air quality and innovative municipal and other waste management strategies. ▪ Reduce waste generation through prevention, reduction, recycling and re-use to transition towards a circular economy ▪ Build capacity for climate change adaptation and mitigation including hazard/disaster risk reduction ▪ Conserve natural resources for present and future generations ▪ Strengthen governance to drive transformation ▪ Establish sustainable financing mechanisms

Strategy 3 - Formulate a resource mobilisation strategy	▪ Continually review the disaster risk management plan to align to global policy framework and review the MHCP annually and enable appropriate responses. ▪ Capitalise and operationalise the disaster risk management fund. ▪ Invest into disaster risk reduction projects. ▪ Mainstream disaster risk reduction into national and sectoral strategic plans, midterm, annual plans and annual budget. ▪ Restructure institutions responsible and consolidate or merge related mandates ▪ Strengthen the National Environment Fund and facilitate its accreditation for the Green Climate Fund ▪ Apply the PFM Act (2017) and Regulations
Strategy 4 - Effective monitoring, coordination and dissemination on early warning system	▪ Invest in IT infrastructure and automatic weather information capture and disseminating equipment and technologies (such as software, hardware and connectivity) for detection, forecasting, monitoring and dissemination of information (including mobile applications) ▪ Promote continuous integration of climate change and disaster risk reduction in planning, budgeting and reporting ▪ Strengthen and enhance the early warning and monitoring systems to national level and establish DRR programming ▪ Update and revise risk and hazard maps and collect data through research for risk reduction ▪ Develop a multi hazard early warning system covering all relevant sectors with climate hazard monitoring ▪ Ensure effective coordination and capacity enhancement of stakeholders to interpret meteorological data
Strategy 5 - Enhance coordination for low carbon development pathway and facilitate a climate change resilient economy	▪ Develop a climate change Bill, and advocate for its enactment into an Act ▪ Review and update the Climate Change Policy, as well as the Strategy and Action Plan. ▪ Develop an updated NDC implementation plan and pipeline projects ▪ Finalise the National Adaptation Plan (NAP), constituting of sectoral adaptation plans and raise public awareness of the NAP as well as its implementation. ▪ Develop and implement a robust climate change Monitoring, Reporting and Verification system ▪ Update periodically the national greenhouse gas inventory ▪ Prepare and submit Biennial Update Reports (BUR)

Sectoral Outcome 9.5 – Clean and Safe Environment, and Sustainable Use of Natural Resources

The people remain heavily dependent on the environment and its ecosystem services for their livelihoods. The environment through its biodiversity provides food resources, water for domestic and agricultural purposes, clean air and the rich biodiversity supports the diverse culture and traditions. The high dependence on the environment and natural resources has put pressure on the environment and natural resources resulting in increased consumption of these resources and therefore environmental degradation, exacerbated by inadequate physical planning, poor enforcement of existing plans, and non-policy compliance. The results include inappropriate land use, pollution (air, water, land), urban sprawl, and building on wetlands and areas prone to natural disaster.

Exposure to water resources pollution results in negative health outcomes and environmental degradation. Air pollution from open burning of waste, vehicle emissions and use of wood fuel are a leading cause of respiratory illnesses in the country. Waste dumping, chemical water pollution from fertilizer leaching, waste water dumping and ambient air pollution have contributed to a heavy burden of non-communicable diseases.

Eswatini is very rich in biodiversity at both the flora and fauna level found on land and water resources. Thus, prudent management of natural resources is desirable to ensure conservation and equitable benefits to the country's population, including the need to manage and control alien invasive species which threatened the biodiversity.

Development of standards and intensifying compliance efforts will be critical under this current Plan. Conservation of biodiversity and forests, improvement of national waste management, including efforts to ban the use of plastic bags are very critical. Mainstreaming of climate change in all environmental management legislations, policies and plans cannot be overemphasised.

Key Sectoral Outcome Targets	▪ Increased adoption of technological innovation for waste management by 2027 ▪ Improved protection of indigenous plant species ▪ Improved monitoring of pollution levels and reporting for interventions

Strategy	Programmes / Interventions
Strategy 1 - Facilitate effective environmental monitoring by through the establishment of accredited laboratories	▪ Strengthen waste management programmes ▪ Develop a framework to address hazardous waste ▪ Improve the monitoring of the land, water and air quality ▪ Improve the efficiency of the environment assessment process ▪ Integrate climate change issues in environment programmes ▪ Establish and fund a national climate change and environmental research programme
Strategy 2 - Enforce legal and policy framework for a clean, safe environment and natural resources management	▪ Ban the use of single use plastic bags ▪ Adopt of circular economy roadmap and strategy to improve recycling and waste separation ▪ Strengthen institutional structures and arrangements to support coordination, mainstreaming, and implementation of climate change adaptation and mitigation actions as well as land degradation and biodiversity ▪ Strengthen institutional coordination among the Rio Conventions in Eswatini ▪ Establish green financing mechanisms for climate change resilience, environmental sustainability and disaster risk reduction ▪ Improve management and control of alien invasive plant species. ▪ Improve sustainable forest management, utilisation and conservation of forest resources for improved livelihoods and sustainable development ▪ Improve conservation of indigenous plants and animal species and forest genetic resources ▪ Develop and implement the Biodiversity, Forestry and ENTC (Amendment) Acts ▪ Improve conservation of indigenous species and forest genetic resources ▪ Mainstream climate change into all development programmes

CHAPTER 10

Efficient Economic Infrastructure Network, Digital Transformation and Innovation

National Outcome 6 - Efficient Economic Infrastructure Network and innovation for socio-economic development	Sectoral Outcomes	Strategies
	1 - Upgrading physical infrastructure to enhance access and connectivity to support socio-economic development	1. Improve accessibility, maintenance and coverage of road network to enhance safe and cost-effective mobility 2. Ensure capital projects funding is dependent on viability and cost-effectiveness 3. Fast track upgrading of rail infrastructure and services for transportation of bulk freight to relieve pressure on the roads 4. Improve on the management and viability of air transport and cargo services 5. Ensure utilisation of the developed structures are currently lying idle
	2 - Improved coverage, quality, reliability and affordability of digital infrastructure and services	1. Strengthen the ICT sector for quality and competitive services 2. Promote ICT investment, digitalisation and innovation in the economy 3. Improve ICT services and security using the legal and regularly framework
	3 – Sustainable, secure, clean and affordable energy sourcing to support growth	1. Increase domestic sustainable, secure clean and affordable energy generation to support growth 2. Liberalise the energy industry and attract private sector to ensure security of electricity supply 3. Ensure sustainable and effective sourcing as well as delivery of electricity and fuel 4. Increase usage of energy-efficient and renewable energy technologies.
	4.Strengthen water services sector to build resilience	1. Manage and regulate water resource effectively and effectively 2. Increase capacity of bulk water storage through investment in multi-purpose dams. 3. Transform the water services industry for quality service delivery 4. Improve water governance and compliance for efficient adaptation to climate change.

Infrastructure is a backbone of a healthy economy and plays a pivotal role in facilitating economic growth, service delivery and alleviating poverty. This implies that any economy needs reliable infrastructure to connect the supply chains and efficiently move goods and services within and across borders. Thus, investing especially in road and rail services creates seamless connectivity for people and goods, boosting the private sector, tourism and regional integration, which in turn will enhance economic activities of small entrepreneurs, households and farmers. Upgrading, expansion and regular maintenance of these networks will improve the competitiveness of the country and create new corridors of economic activity. Investing in rail will alleviate the pressure on the road network and extend its life span. The country continues to commit itself to further develop infrastructure in all sectors being transport, information communication and technology, water and energy at every level of the economy.

In the NDP 2023/24 – 2027/28, Government will put more emphases on (i) infrastructure-driven investments to upgrade the standards of infrastructure in the country which will stimulate economic recovery and support socio-economic development; (ii) all infrastructure investments to be climate proofed to protect against the severe adverse impacts resulting from disasters; (iii) investment in infrastructural development to be driven by viability and cost-effectiveness; (iv) the urgency to secure investments in ICT and energy; and (v) strong linkages in strengthening investments in infrastructure to support private sector and human developments. It is appropriate time for government to develop the PPP policy at national and sectoral level to utilise it for financing of public investments, to ensure quality, timely completion of projects and secured financing.

Sectoral Outcome 10.1 – Enabling Infrastructure for Improved Public and Private Sector Activity to Support Socio-economic Development

Transportation networks will be improved to enhance connectivity and mobility locally and to connect to regional economic corridors. This includes the construction and upgrading of roads and highways such as the Manzini – Ngwenya and Motjane – Matsamo roads. The transport and logistics sector will continue to remain a crucial driver of growth and development. Government will work with the private sector to create partnerships and an integrated logistics, which when coupled with efficient trade facilitation can further boost regional and domestic trade. Considering the ever-increasing energy costs and the climate impacts of this sector, there is also a need to conduct studies to assess the adoption of electric or hybrid mobility options. Additionally, there is a need for policies and investments towards more efficient vehicular transport as well as improving and expanding efficient mass-public transportation.

Public buildings and housing infrastructure assets are a foundation of a country's economic development, thus maintaining such assets in good condition is critical. Infrastructure wears out with time and use, implying that neglected infrastructure will result in degradation of the assets with negative effects on the economy, leading to greater costs of reconstruction/rehabilitation over time. One of the key strategies in the medium term is to improve maintenance budget to preserve the existing assets. To ensure reliable estimates for maintenance, government will put in place a comprehensive register of public buildings and housing infrastructure. Maintaining an asset register, backed by a condition report on each asset, is of vital importance, to reduce maintenance costs and increase the life span and quality of the infrastructure. For all new investment in public buildings and housing infrastructure will take climate change effects into consideration to ensure durability, energy efficiency and resilience to climate-driven natural disasters and changes such as increasing temperatures.

The Plan envisages the development of quality standards for the construction of infrastructure – buildings, roads, rail, dams etc. so that it can withstand any hazards. At the same time, investments will be made towards developing a modern technological multi-hazard early warning system which will enable institutions to strengthen their disaster preparedness and response mechanisms. An assessment of current capital projects will be conducted to determine their resilience to climate change risks especially susceptibility to disasters as previous disasters resulted in a lot of damage. This will be followed by integration of climate change and disaster risk in the development and implementation of new public investment programme (capex). Government is prioritising the protection of infrastructure investments to minimise damage.

Key Sectoral Outcome Targets	▪ Paved road coverage increased from 1,626km to 1,948km, translating to 61% of the total gazetted road network (3,189km) ▪ Introducing commercial use of 10% ethanol blend in petrol by 2030 ▪ Completing relocation of homestead phase for Rail Link project by 2024. ▪ Improved capacity and volumes for Mpaka and Matsapha ICD from 0 to 68,068 tonnes and 55,700 to 75,000 tonnes, respectively. ▪ Electricity supply sourcing secured by 2025 and increasing the share of renewable energy to 50% in the electricity mix by 2030 relative to 2010 levels through the adoption of solar, wind, biomass, hydro, and solar water heater technologies.

Strategy	Programmes / Interventions
Strategy 1 - Improve accessibility, maintenance and coverage of road network to enhance safe and cost-effective mobility	▪ Implementation of the Road Sector reforms starting with the establishment of the Roads Authority ▪ Public and private resource mobilisation for road infrastructure development and maintenance ▪ Upgrade of feeder roads and low-level crossings using labour-based methods ▪ Prioritising Eswatini Rail Link (SRL) project and securing financing through PPP other partnership arrangements ▪ Development of the PPP policy framework is urgent to support effectiveness of public finance reforms whilst boosting investment for economic growth benefits ▪ Establish a climate and disaster-proof responsive maintenance programme ▪ Increase capacity, efficiency as well as volumes within the rail transport services as alternative transport system by implementing the Swazi Rail Link project and expanding of the Inland Container Depots (Matsapha and Mpaka) ▪ Conduct studies to assess the adoption of electric mobility options ▪ Modernise meteorological infrastructure and services to Improve reliability and accuracy of weather information
Strategy 2 – Ensure cost-effectiveness and efficiencies in the delivery of capital projects	▪ Undertake analysis on viability and social benefits of public investment projects to be the main determination for funding. ▪ Develop and implement service and service delivery standards against which performance will be accessed. ▪ Strengthen planning and public investment management capacity for effective implementation of projects. ▪ Create a special account for public investment programme (Capex) ▪ Secure local counterpart funding for loan funded projects and transfer to separate account or funder for efficient disbursement ▪ Develop and utilise PPP policy and arrangement for funding large projects ▪ Improve the value of government property and assets by investing in regular maintenance and upgrade of government buildings and housing infrastructure ▪ Enable quality infrastructure for waste disposal and management - - chemical, industrial and domestic

	▪ Invest in meteorological services to improve reliability and accuracy of weather information through modernisation of weather infrastructure ▪ Integrate climate changes measures in infrastructural development and maintenance and climate-proof existing infrastructure to build resilience and protect it from disasters ▪ Enhance climate change, disaster and environmental considerations in the design and formulation of capital projects.
Strategy 3 – Enhance the viability of the aviation industry	▪ Improve affordability of air transport services by boosting tourism and private sector to increase passenger and cargo volumes ▪ Develop the EPZ around the airport for economic activity and attract investments ▪ Invest in human capital development and continue with containment of COVID-19 plus maintaining peace and stability ▪ Review pricing of the services in a bid to stimulate demand and increase capacity of cargo terminal and apron at KMIII when inflow of passengers and cargo increases ▪ Unleash the logistics and trade facilitation through the establishment and coordination of the logistics sector (transportation, storage, warehousing, trucking services and equipment maintenance)
Strategy 4 - Ensure utilisation of the developed structures that are currently lying idle	▪ Take full stock of current infrastructure and analysis of optimisation of their use ▪ Identify under or not utilised structures and consideration for re-purposing their future use ▪ Prioritisation of using current available infrastructures where possible over starting new projects ▪ Conduct climate-proofing and retro-fitting of existing infrastructure and buildings/housing

Sectoral Outcome 10.2 - Ensured Coverage, Quality, Reliability, Accessibility and Affordability of Digital Infrastructure and Services

ICT is a pinnacle of development and drives change and innovation. It is an accelerator, amplifier, and augmenter of change and that became very obvious during 2020 and 2021 when business was extremely constrained. Digital transformation has a huge potential to improve national productivity by making government and business enterprises more efficient, effective and globally competitive. Therefore, it is a vital driver of social, economic development and recently political change. The ICT landscape is fast changing and can cause instability if not closely monitored. Government is expected to create an enabling environment for business and economic growth by providing the infrastructure, policy, legal and regulatory framework without stifling progress and freedom to operate. Government plans to take deliberate steps to keep this pace through the development and adoption of new strategies that can be leveraged to realise the country's digital future. The adoption of ICT will be accelerated to increase access to information on agriculture, business, education, climate, environment and health sectors, and expand business and income earning opportunities to improve well-being. The Ministry of Information Communications and Technology (ICT) is mandated to promote and facilitate the integration of research, technology, and innovation into policy, planning and the national development processes. The Kingdom of Eswatini has grasped the importance of science, technology and innovation (STI) and its potential to bring about higher standards of living; through the establishment of the Department of Research Science Technology and Innovation (RSTI) and the construction of the Royal Science and Technology Park (RSTP). Worth mentioning is that the Ministry's vision is knowledge ***based and digitally inclusive society.***

ICT investment is a requirement for sustainable development, knowledge based economy and economic growth. The country also needs technical capacities, technology transfer and skills development in order to ensure a climate-resilient and sustainable future. In addition to increasing the ICT contribution to the abatement of carbon emissions, energy efficiency, monitoring climate-related patterns and events, and implementing adaptive practices, the sector also needs to adapt to and be resilient to climate change impacts particularly on ICT infrastructure. The sector is a cross cutting; hence a pre-requisite for the success of sectors such as health, education, environment etc. Digital connectivity will be expanded through policy, legal and regulatory reforms which will accelerate broadband infrastructure roll-out in non-urban areas, bringing connectivity and choice to MDAs, companies, independent institutions and households.

In an effort to attain a healthy National System of Innovation (NSI); the Ministry of ICT has prepared programmes and activities in readiness for implementation. The NSI consists of institutions that are interconnected and have the potential to reinforce one another through knowledge generation, knowledge fluidity and innovation. There is an increased demand for ICT related services as a result of Covid-19 pandemic. This has accelerated the need for digital inclusion particularly in the education, health, business, and services sectors. There is a need for policy reform to open up the industry, broaden access, and reduce costs to ensure access to internet connectivity, electricity, digital skills and affordable devices for all. In addition to improving access to reliable and affordable ICT, government will prioritise the integration of technology in all sectors so that it drives economic development. Radio, television and telecommunications are equally important especially for rural areas. This will enable the country to recover from the impact of COVID-19 and progress in terms of efficient provision of more and better goods and services.

The Plan prioritises a liberalisation of the industry to achieve improved connectivity, access, modernisation of the economy and service delivery. Ultimately, it will lead to competitiveness and innovation of both public and private sector, as well as individual institutions and households.

Key Sectoral Outcome Targets	▪ Reduction in the cost of ICT devices and services ▪ Increase the proportion of population accessing services online to 50% ▪ Provide 80% of government services online by end of Plan period.

Strategy	Programmes / Interventions
Strategy 1 – Strengthen the ICT sector for quality and competitive services	▪ Develop policies, legislation and regulatory framework for access, quality and availability of affordable digital and communication services ▪ Open up of the market to allow new entrants to expand services to be accessible to both urban and rural areas ▪ Expand the use of ICT to other key sectors such as education, environment and health facilities benefitting.

	▪ Improve coverage, quality, reliability and affordability of digital infrastructure and services ▪ Review of the NICI policy ▪ Implement the Eswatini Digitalisation Strategy and the Indigenous Knowledge Commercialisation Strategy ▪ Create an enabling legal environment for broader participation and liberalisation of the communication industry - unbundling of EPTC. ▪ Operationalise the National Research Council ▪ Implement the Bio-economy Strategy (emphasis on issues pertaining to climate change and environmental issues of man and biosphere (MAB)). ▪ Ensure that all critical ICT infrastructure is climate- and disaster-resilient.
Strategy 2 - Promote ICT investment, digitalisation and innovation in the economy	▪ Enhance ICT research, innovation and development for utilisation by the entire economy and society ▪ Increase bandwidth speeds and availability of services to everyone ▪ Deploy secure, integrated and cross-sector infrastructure to enhance the performance of all sectors particularly the private sector, education, health and financial sectors; ▪ Develop and promote usage of e-government and e-services ensuring standardisation of systems and quick automation of government operations and service delivery processes; ▪ Identify and prioritise technologies for emerging sectors such as the energy, waste and land use and land use change and forestry ▪ Support innovation, and commercialisation of ICT products through enhancement of digital literacy, developing skills and adoption of emerging technologies ▪ Modernise the national backbone infrastructure and increase bandwidth speeds and availability ▪ Establish sustainable partnerships with global telecommunication institution ▪ Operationalise fully the Royal Science and Technology Park (RSTP)
Strategy 3 – Improve ICT services and security using the legal and regulatory framework	▪ Regulate, coordinate and harmonise ICT infrastructure planning, sharing and deployment within the public and private sector to avoid duplication and conflict ▪ Invest in national cyber security to protect investments for corporates and individuals ▪ Review and develop appropriate policies, strategies, standards and regulations to enhance usage of ICT in development ▪ Build capacity of institutions for regulatory responsibility as government takes the lead in infrastructure development, policy formulation and establishing legal and regulatory frameworks and giving oversight

Sectoral Outcome 10.3 - Establish Sustainable Secure, Clean and Affordable Energy Sourcing to Support Growth

Energy underpins all efforts towards economic recovery, socio-economic development as well as peace and stability, thus efforts to further strengthen the security of electricity supplies will be intensified, as well as securing fuel supplies through the implementation of the strategic fuel reserve depot. With good investments in the energy sector, Eswatini will be able to achieve sustainable development, expressing the need to ensuring access to affordable, reliable, sustainable, and modern energy for all. Implementing this goal implores government to address a competitive business environment, an efficient public service, a high standard of living, quality of life, and well-being for all. Above all, it is about ensuring uninterrupted energy supplies, progression towards increasing investments in renewable energy and ensuring that by 2025 when the electricity agreement with ESKOM expires, supplies are guaranteed. The Plan seeks to implement the Strategy for 2023/24 – 2027/28 to ensure security and access to electricity during the Plan period.

Key Sectoral Outcome Targets	▪ Provision of electricity power is secured by 2025 to support private sector growth ▪ Increasing the share of renewable energy to 50% in the electricity mix by the end of the planned period through the adoption of solar, wind, biomass, hydro, and solar water heater technologies ▪ 50% progress towards attaining sustainability towards fuel supplies achieved by 2027

Strategy	Programmes / Interventions
Strategy 1 - Increase domestic sustainable, secure, clean and affordable energy generation to support growth	▪ Urgently secure electricity supply before expiry of current agreement ▪ Promote private sector participation in energy production by operationalising the Independent Power Production Policy and promote renewable energy production programmes ▪ Increase mix of conventional and renewable domestic power production and consider developing and putting in place incentive packages for renewable energy investors ▪ Commit to the implementation of the Strategy 2022 -2027 to expand electricity generation ▪ Review the Energy Master Plan and National Energy Policy to be in line with technological developments in the private sector ▪ Strengthen the capacity of existing stations and assess the possibility of expanding capacity or safeguard against losses
Strategy 2 – liberalise the energy industry and attract private sector to ensure security of electricity supply.	▪ Operationalise the Independent Power Production Policy to increase domestic power production ▪ Develop and enforce standards on quality of service in the energy industry ▪ Engage the private sector participation in investing in the adoption and use of clean energy and in increased usage of energy efficient and renewable energy technologies
Strategy 3 -. Promote utilisation of energy efficient practices and technologies	▪ Promote uptake of alternative and efficient cooking technologies - electric cooking and LPG ▪ Promote the use of energy efficient equipment for both industrial and residential consumers; teach households about safety measures ▪ Promote use of new renewable energy solutions - solar water heating, solar cookers, wind or solar water pumping solutions)
Strategy 4 - Ensure constant availability of fuel	▪ Expedite the construction of the strategic fuel reserve depot ▪ Promote regional integration ▪ Use of alternative sources of fuel supply ▪ Introduce commercial use of 10% ethanol blend in petrol

Sectoral Outcome 10.4 – Strengthening Water Services Sector to Build Resilience

A modern and robust bulk water infrastructure is vital to the country's economic development as it secures not only the supply of water for irrigation, energy generation and portable water supply to prevent the spread of diseases, but also ensures higher living standard and fosters economic growth. In that regard, more investments will be made to expand coverage and improve on access extending it to rural and poor households, providing safe water and sanitation infrastructure. This will increase community resilience and boost adaptive capacity. There will be continuous efforts to strengthen capacity of the water services sector, especially the Department of Water Affairs and Rural Water Services which serve rural communities. Rehabilitation and regular maintenance of rural water infrastructure should always be a priority to ensure continuous access to portable water. For private sector, Eswatini will invest in new networks and treatment plant capacity to protect water sources and rivers. This will include strengthening the control and monitoring of water availability and use to protect surface and groundwater resources from over abstraction and impose timely restrictions when needed. In addition, the capacity of river basin boards and the multilateral institutions responsible for cross-border water management will be strengthened for sustainability and to promote the peaceful sharing of the scarce water resource from the rivers.

Water is a very precious resource and a source of life, but it is increasingly under threat with climate change and poor management technics. According to the Water Resources Masterplan (2016), the water resources situation already looked bad and required urgent attention due to insecurity of resources, deterioration in quality and the threat of climate change. Drought has become a regular, occurring every three years worsening further by the lack of water storage. However, government has prioritised water resources management and a number of feasibility studies have been done for water projects such as Nondvo dam, but the main hindrance is lack of resources. However, a number of water projects are under implementation such as Mkhondvo-Ngwavuma, Manzini Water and Shiselweni Water.

Agriculture is the dominant water user and about 90 percent of the water resources are used by the private sector largely absorbed by the sugar plantations. Industries, tourism, WASH and households are also beneficiaries. Drought and sometimes floods have contributed a lot to negative impact on food security, industrial operations and health issues.

Key Sectoral Outcome Targets	▪ Increase clean water coverage by a minimum of 16% to achieve 80% coverage by 2027 ▪ Construction started on at least 2 new multi-purpose dams by 2027
Strategy 1 – Manage and regulate water resource effectively and efficiently	▪ Improve water governance and compliance to help manage water resources more efficiently and effectively to adapt to resultant water shortages from climate change ▪ Improved coordination of water issues and strengthening of coordination agencies with the collaboration with water stakeholders concerning water management and monitoring ▪ Strengthen the capacity to mobilise resources for the sector

	▪ Develop water pricing structures to encourage efficient water use and scale-up smart metering systems through the installation of near-real-time data at the 25 gauging stations ▪ Fully operationalise the established decentralised institutions and develop climate resilient catchment management plans ▪ Approve the draft Water Masterplan and Regulations to support implementation of Water Act
Strategy 2 – Increase capacity of bulk water storage through investment in multi-purpose dams	▪ Fully implement water regulations to guide water and infrastructure management and govern operating rules of large water infrastructure and assist in consolidating measures for water augmentation ▪ Engage private sector in infrastructure development and maintenance, exploring PPP arrangement ▪ Implement the project to increase water capacity of Luphohlo and Hawane dam through raising dam walls ▪ Rehabilitate existing water infrastructure (dams): Hawane, Mnjoli ▪ Start construction of 3 bulk water infrastructure (dams) to increase water storage and service energy generation, irrigation and portable water supply and mobilise resources to implement the 3 projects - Mpakeni, Nondvo, Ethemba ▪ Undertake pre-feasibility study for Silele and Silingane Dam and the construction of five sand dams ▪ Establish a coordinated approach to implement Water Masterplan to ensure that all water funded projects are aligned to the Masterplan
Strategy 3 – Transform the water services industry for quality service delivery	▪ Construct bulk water infrastructure to service energy generation, irrigation and potable water supply ▪ Assess capacity of responsible institutions and strengthen capacity of the water services industry especially DWA/Rural Water Services servicing rural water ▪ Rehabilitate and regularly maintain rural water infrastructure for sustainability, efficiency and quality ▪ Enabling quality waste disposal Infrastructure to protect water sources and improve on quality of water
Strategy 4 - Improve water governance and compliance for adaptation to climate change	▪ Ensure bulk water infrastructure has the potential for safe water, irrigation and energy generation ▪ Assess and strengthen capacity of institutions in the water services industry ▪ Rehabilitate and regularly maintain water infrastructure especially rural water supplies to ensure access and quality ▪ Improve reliability & accuracy of weather and water information through modernisation of hydro meteorological infrastructure ▪ Strengthen early warning systems and enable disaster and emergency preparedness and action by agencies and households ▪ Upgrade the national meteorological and hydrometric network infrastructure for quality information ▪ Establish innovative and effective platforms for weather and hydrological data and information dissemination ▪ Build capacity for personnel to accurately forecast and disseminate usable weather information

CHAPTER 11
FINANCING THE NDP

11.1. Overview

Successful implementation of the NDP, including attainment of the targeted national and sectoral outcomes is heavily dependent on the country's ability to mobilise resources required for the execution of planned programmes and projects. Consequently, during the Plan implementation period, various financing strategies and options which include loans, grants, revenues and those of the private sector will be pursued aggressively to ensure timely availability of resources.

However, financing of the NDP is premised on the principle of fiscal consolidation reflected by a balanced budget, with the main aim of pursuing fiscal discipline and achieving sound macroeconomic management in the medium term. Achieving fiscal consolidation in the short term is key in the provision of a supportive environment to clear arrears, unlock the barriers for private sector active participation and development towards the creation of a diversified and resilient economy, for sustained higher growth and socio-economic development. Resultantly, financing requirements for the Plan programmes will be from a combination of financing sources which will be subject to the limits of a prudently managed debt strategy. Other sources being explored include PPPs with the private sector as the financer of projects. Serious engagements with development partners will be pursued to obtain significant fiscal relief through accessing of grants and concessional loans.

A three-year period Fiscal Adjustment Plan has been under implementation since FY 2021/22. This is part of the reforms which includes Debt Management Strategy, Development Co-operation Policy, PFM Regulations and the draft Arrears Clearance Strategy. These documents will guide the country on resource mobilisation, acquisition, allocation and utilisation, to avoid wastage and misallocation of resources through unplanned borrowing and other financing commitments. Moreover, they are part of a framework that will provide predictability and a more coordinated way of financing, mobilising and allocating resources. Implementation of the FAP measures provides a solid foundation for resource mobilisation and predictable cash flows to allow efficient and effective implementation of programmes and projects. The NDP aims to ensure that resources are properly aligned to planned programmes and projects so that efficiency and effectiveness in resource utilisation is realised.

11.2. National Resource Envelope 2022/23 – 2027/28

The amount of public resources required to finance the Plan in the medium-term period of 2022/23 – 2027/28 is estimated at E157.688 billion. Whereas, the total potential resource envelope over this medium term is E135.83 billion. According to the 2022/23 budget estimates, resources required from domestic revenues, external and domestic borrowing and grants are projected at E23.99 billion. It gradually increases to E27.514 billion in FY2025/26, declines slight by E1 billion in FY2026/27 and peaks to E27.997 billion in FY2027/28 (see Table below).

Table 12: Financing Gap - Resource Envelope & Total Expenditures 2022/23 - 2027/28

Emalangeni millions	2022/23 Budget	2023/24 Projection	2024/25 Projection	2025/26 Projection	2026/27 Projection	2027/28 Projection
Total Revenue & Grants	19,364	21,795	22,353	23,590	23,129	25,596
Domestic revenue	12,873	13,884	14,442	14,679	15,218	15,885
SACU Receipts	5,818	7,500	6,375	8,500	7,500	9,300
Grants	673	411	411	411	411	411
Total Expenditure	23,998	25,321	26,169	27,514	26,690	27,997
Recurrent	18,671	19,012	19,548	20,059	20,308	20,571
Capital	5,327	6,309	6,621	7,455	6,382	7,426
Financing gap	-4,634	-3,526	-3,815	-3,924	-3,561	-2,400

Source: MoF: MTFF March 2022, Macro Unit - MEPD

11.3. Revenue Mobilisation Strategy

Tax revenue and SACU receipts will be the main source of the public resources for financing the Plan. Efforts are focused towards implementing revenue enhancing measures to reduce the financing gap and meet the resources requirements. Currently, domestic revenue to GDP stands at an average of 15.4 percent for the Plan period. The FAP targeted a 0.6 percent of GDP adjustment on revenue and focused on introducing capital gains tax, presumptive tax for SMEs, amendments to VAT, corporate and personal income tax. However, caution will be exercised to keep deficit and financing gap within prudent limits to avoid creating distortions that will dampen further economic activities and exacerbate further the negative effects on the strategies for economic recovery, debt management and arrears clearance.

This requires Government to prioritise the implementation of strategies that increase domestic revenue mobilisation as it is the main sustainable way to increase additional space. As the economy recovers, efficiency gains are expected to be realised in individual and corporate taxes, as well as VAT payment. Significant investments have been made in the rollout of electronic payment systems, revision of laws and computerisation of collection systems which should bring dividends in terms of improved revenue collection. This is crucial for predictability and stability in financing as well as enhancing the credibility of the FAP.

11.4. Expenditures

As already described in the macroeconomic framework, Government will minimise its domestic borrowing over the Plan period and focus it on the capital programme. This is to avoid the effects of crowding out private sector financing and investment that are critical to the delivery of NDP. Public investment programme (capital) will be financed by through domestic revenue, loans and grants. The Policy stance on the clearance of arrears is prioritised to boost private sector and MSMEs activities, and will have multiplier effects on the economy However, it affects funding of the capital programme which is financed predominantly through foreign and domestic borrowing. The table below presents the capital programme for FY2022/23 set at E5.327 billion of which about E1.953 billion is loans and grants.

Table 13: Summary of Capital Expenditure by Economic Sector FY 2022/23 (E'000)

	SECTOR	GOVERNMENT FUNDS	OTHER FUNDS	TOTAL	%
A	Agriculture, Forestry and Fisheries	161,000	719,463	880,463	16.5
C	Commerce	0	0	0	0.0
E	Education	71,000	8,153	79,153	1.5
F	Fuel and Energy	24,070	183,300	207,370	3.9
G	General Public Services	1,260,309	220,541	1,480,850	27.8
H	Health	79,300	195,500	274,800	5.2
M	Manufacturing	302,658	57,831	360,489	6.8
P	Public Order, Safety and Defence	161,500	15,500	177,000	3.3
R	Recreation and Culture	19,195	0	19,195	0.4
S	Social Security and Welfare	6,000	0	6,000	0.1
T	Transport and Communication	1,147,094	170,635	1,317,729	24.7
W	Water Resources Management	78,200	339,803	418,003	7.8
X	Housing and Community Amenities	64,100	41,848	105,948	2.0
	TOTAL	**3,374,426**	**1,952,574**	**5,327,000**	**100**

Source: MoF; March 2022

To strike a balance between growing the economy and raising more resources while also catering for the welfare of the poor, the following policy priorities and actions for financing will be implemented.

11.5. Development Assistance (Grants)

The Development Co-operation Policy aimed at strengthening relationships with cooperating partners both on bilateral and multilateral level was approved and is under implementation. More grant financing is expected to be mobilised from climate funds and other partners as focus shifts to mainstreaming climate change, environmental sustainability and disaster risk reduction to build resilience in all sectors. It is possible to mobilise above the current levels and reach more than E1 billion on average in a financial year. Furthermore, the government will reintroduce the sector wide approach to planning (SWAp) to support improvements in planning and budgeting.

11.6. Public Private Partnerships for Financing

During the Plan period, government will improve on policy and legal framework for PPPs at national and sectoral levels, and explore the possibilities of re-building the relationship with the private sector and harnessing its financing potential to ensure positive contribution to national development and ease pressure on the fiscus. A PPP policy will be developed and refined for the different sectors and guidelines developed to benefit infrastructure projects and services. There are sector specific issues that will be addressed through the implementation of a PPP policy. This provides for an alternative way of financing development and ensures that the private sector actively participates in the recovery plan through the utilisation of PPP arrangements. PPP's main objective is to combine the comparative advantages, skills, expertise and experiences of both public and private sectors to deliver high quality services and also shares the risks between the public and private sector. Thus, fully private sector financing becomes possible avenues that the Plan implementation can engage in. However, caution will be taken to ensure that engaging in PPPs does not impact negatively on the debt repayment initiative. The Sicunusa - Nhlangano road project is an example of a PPP like arrangement for the FY2022/23.

11.7. Domestic Borrowing and Loan Financing

During the implementation of the FAP, Government received budget support loans from the IMF, World Bank Group and African Development Bank for government operations and more loans will be sought for infrastructure development. At the same time, domestic borrowing is being pursued to close the financing gap. More than E3 billion worth of infrastructure development projects will be financed through foreign and domestic borrowing annually for the first three years of the Plan and this is likely to increase. Current loans are for construction of a new parliament building, ICC and hotel completion, roads and dams infrastructure development. Government is to secure more loans for Mkhondvo-Ngwavuma irrigation project, strengthening human capital for the education sector, Biotechnology Park, Railways Lothair – Matsapha and Oil Reserve projects. Government plans to seek borrowing of concessional financing and investing in fully appraised projects which are economically viable. In line with debt strategy and fiscal consolidation objective, domestic borrowing should not crowd-out the private sector while external loans should be targeted to viable and bankable projects with the potential to boost the envisaged recovery trajectory.

The resources available are clearly insufficient to effectively implement the programmes and projects to achieve the goals and objectives set out in the Plan, but must still fit within the FAP framework. Therefore, government will embark on a strategy to approach bilateral and multilateral institutions for concessional financing while exploring alternatives sources such as PPPs to mobilise more resources required for implementation of this NDP.

Finally, caution will be exercised with the rating downgrade by Moody’s to B3 as it signals improvements on the country’s image are needed to boost investors and lenders’ confidence by improving on the fiscus and PFM.

11.8. Implementation of the NDP

The successful implementation will depend on an efficient resource mobilization drive and effective coordination at central agency level and with sectors. MDAs are expected to efficiently and effectively execute their functions and responsibilities, be strengthened to improve accountability, transparency and heightened oversight. The aspiration of the NDP is to strengthen the means of implementation by addressing all aspects of the implementation cycle - cost estimation, annual prioritisation, budgeting, implementation, continuous auditing, investing in management information systems, and monitoring and evaluation. Significant progress will be made through drawing strategic plans from the NDP, re-introducing SWAp, ensuring policy and institutional coherence, continuous capacity-building, multi-stakeholder engagement and partnerships and making data available.

Table 14: Prioritised interventions over the five-year period

Interventions	MDA lead responsible
I. **Improving good governance as the centre-point for launching the reform process**	PMO overall
a. Respect for rule of law, peace and political stability	MoJCA, MTAD
b. Sound macro-fiscal management – accountability and transparency as foundation for development and growth	MoF, MEPD, MoPS
c. Fight corruption	MoJCA, MEPD, MoF, MDAs
d. Transformed role of the state - restoring its credibility and trust	
2. Establish a competitive private sector through creating a conducive business environment	MCIT, MNRE, MICT, MoF
3. Modernise the agricultural sector for increase production and food security	MoA, MCIT, MNRE
4. Invest in human capital and social development with focus on	All MDAs
a. skills development,	MoET, MCIT
b. youth empowerment,	MoET, DPMO, MSYC, MTAD
c. quality healthcare for all	MoH, MNRE, MoA
d. quality education for all	MoET, DPMO, MTAD, MCIT
e. poverty reduction	MEPD, DPMO, MoET, MTAD
5. Strengthening infrastructure – transport, energy and water and digital innovation	MoPWT, MNRE, MICT, MCIT
6. Climate proofing investments and strengthening environmental management	MTEA, DPMO/NDMA

Implementation reforms are required to fully implement the NDP through sectoral programmes in order to achieve the expected goals in the next five years. These include budgetary and project reforms as recommended by PIMA study to improve accountability for delivery of results. MEPD as part of PBC is responsible for overall coordination and reporting on implementation of NDP programmes and outcomes. A system to capture off-budget financing must be developed and/or IFMIS finalised and operationalised. In addition, capacity of central agencies and ministerial planning units should be developed. The PPCU role in monitoring and evaluation to be re-examined and its capacity enhanced.

CHAPTER 12
RISK MANAGEMENT

Risk is a potential occurrence that might impede a project or programme implementation and success. It is an uncertainty that can have negative effects to the programme or a probability that may harm all or some components of the activities of the project or programme.

The Government of Eswatini has shown commitment to developing a National Development Plan, a strategic document that is meant to be the guiding framework for policy, planning and budgeting as well as for inclusive and sustainable development. There exist no expectations of drastic changes in the development focus espoused in the national development plan for at least the short run. However, there is general consensus that there exist certain risks which might impact negatively on the implementation process for this NDP in the short to medium term. These risks or threats to the implementation of the Plan and its success can be said to be stratified by global, domestic and institutional level challenges.

The Plan recognises the need for any development process to be risk informed and be continuously monitored, assessed and adjusted. This is because there is constantly interface across local, regional and global risks including financial crises, epidemics, cybercrime, organised economic crimes, natural hazards and disasters, climate change among others. Hence, the Plan has identified, analysed various potential risks and recommended possible measures during the Plan period.

Placed globally, the Swazi economy is inherently a case of a small player and usually doesn't influence the world economy. However, the global economic decisions hit hard on small countries. To this end, the shifting geopolitical powers and the recent development in the global space has caused changes in how the multilateral and bilateral landscape plays out, and Eswatini needs to properly analyse the risks at hand and assert herself to counter the risks posed by this phenomenon. For instance, COVID-19 and the Russian – Ukrainian war are having a huge impact on economies and livelihoods.

1. At the domestic level, **political risk** is rating high because of the nature of the governance system. There seems to exist divergence between the aspirations of stakeholders and administration. The stalemate caused by the political unrest of June 2021 changed drastically the political landscape of the country and produced a polarised society characterised by tensions, anger and frustration which manifested through loss of respect, tolerance, consideration and national unity - the spirit of national identity and Ubuntu.
2. **Political will** is closely related to the political risk and the deliberate effort by people in administration to champion a certain policy reform or a programme is one of the identified risks. The NDP as a guiding framework for planning and budgeting has faced challenges in terms of acceptance, ownership and being fully embraced as the ultimate guide for policy and resource allocation. It has been always confused with the new Government statements of declarations since Economic and Social Reform Agenda (ESRA) up to the Strategic Roadmap (SRM) era. The executive and legislature need to champion the NDP and stakeholders to fully utilise it.

3. At the macroeconomic level, **fiscal indiscipline** is identified as a huge risk in that if there is continued neglect of fiscal prudence, the fiscal crisis will escalate and the FAP implementation will fail resulting in an imposed adjustment programme. The failure will manifest as a result of uncontrolled and poor quality of spending, huge and continuous budget deficits, over borrowing, bloated and inefficient public service, public investment programme that is not focused on growth and ignoring national priorities, squeezed out private sector, and massive unemployment which may culminate into a political chaos.

   It is a situation whereby the economy may crack as a result of the inability to grow and the country will not be attractive to private investment. Instead, corruption will increase and poverty will worsen with extreme poverty levels soaring. The Government has been running a budget deficit for the longest time and the appetite for budget support and borrowing has been increasing in the backdrop of an ailing economy. Over indebtedness will ultimately crowd out investment and affect resources required to implement the plan. Cash flow problems have a very serious negative effect in the economy and give an indication of failed fiscal management. In addition, the peg with the rand and meeting certain macro indicators and targets are important for the country as a member of the CMA and SADC Convergence Committee. The country would not want to jeopardise its membership to these economic groupings. There exist external shocks related to Eswatini being integrated and interdependent to other countries especially the Republic of South Africa and the SACU in particular.
4. **Financing and land acquisition delays for implementation of public investment programme or projects**. These have increasingly become a major challenge resulting in land related disputes and costs escalations especially for construction projects. Land acquisition delays have stalled and impeded the implementation of key projects resulting into immediate costs for government in terms of variation orders, idle equipment costs, penalties on non-utilised borrowed funds, and delayed realisation of intended investment returns. Implementation related risks that equally impacted the achievement of the previous NDPs with implementation rate averaging 50 to 60 percent on account of systemic implementation risks. These ranged from acquisition of loans for non-ready projects, poorly structured negotiation for key PPP projects that shift risks largely to the public sector.
5. **Corruption, money laundering and cyber-attack** are increasingly escalating economic crimes which are also sophisticated, with external linkages. Corruption remains one of the high-ranking risks as it exhibits itself in over-pricing, low quality and standards, political interference and nepotism. It also actualises itself in the recruitment, placement and deployment of strategic people and positions. The public service becomes bloated, lax, self-serving and inefficient. If the economic crimes are pervasive, it may deter the smooth implementation of the Plan.
6. **Natural disasters like cyclones, hailstorms, floods and drought which have costed the economy and impacted on the lives of the people**. With regards to the environment, pollution, climate change and its related hazards presents the biggest disaster risks for the economy and the communities. Disasters, many of which are exacerbated by climate change are increasing in frequency and intensity, generating new risks and increased losses with significant economic, social, health, cultural

and environmental impact in the short, medium and long term. This significantly impedes progress towards sustainable development. The table below shows a detailed Eswatini Disaster Risk Profile[59]

Figure 19: Eswatini Disaster Risk Profile

		LIKELIHOOD				
		Very likely 5	Likely 4	Moderately likely - 3	Unlikely 2	Very unlikely 1
IMPACT	CRITICAL 5	25	20	15	10	5
	SEVERE 4	20	16 Drought, Epidemic, Pandemic	12 Floods, Environmental Hazards	8 Earthquake	4
	MODERATE 3	15	12 Storms	9 Extreme weather, fire	6	3
	MINOR 2	10	8	6	4 Emerging threat	2
	NEGLIGIBLE 5	5	4	3	2	1

Table 15: Hazard Scoring Matrix

Hazard	Likelihood	Impact	Score
Drought	4	4	16
Floods	3	4	12
Epidemic, Pandemic	4	4	16
Storms	4	3	12
Extreme Weather	3	3	9
Fire	3	3	9
Earthquake	2	4	8
Environmental	3	4	12
Emerging Threats	2	2	4

Note: SCALE: High: 25-15, Medium: 14-8, Low: 7-1
Risk = Impact X Likelihood

[59] Eswatini Multi Hazard Contingency Plan, 2017

The following table shows the risk profile. Severity ranking, the assessment and the mitigation measures that need to be in place in order to ensure that the National Development Plan is implemented successfully. This will ensure that the planned development targets pursued by the NDP are realised.

Table 16: Risk Assessment Matrix

Risk Profile	Severity				Mitigation Measures
	Likelihood	Impact	Score	Ranking	
Fiscal Risks	3	3	9	Very High	Return to Development Planning where the NDP informs the budget and the NDP informed by the Sector Development Plans that are in turn informed by sector analysis. Strict adherence to the Public Finance Management Act, and approval of the PFM Regulations
Political Will	2	3	6	High	Lobby the Cabinet to prioritise the NDP as a fundamental development tool. Planning and Budgeting Committee to allocate resources according to the NDP priorities.
Corruption	2	3	6	High	Review to strengthen the Procurement Act and Regulations so that it provides procurement in emergencies. Review the pricing for Government tenders to be closer to market prices and control for quality and value for money. Conduct lifestyle audits for key personnel and strengthening of the Anti-Corruption Commission
Disasters	2	1	1	Low	Establish the Disaster Management Fund, Integrate DRR/M into development planning at sectoral to national level. Ensure projects are climate proofed and are incorporating environmental issues at conceptualisation and implementation stage

Note: To calculate and come up with the ranking, the risk was analysed using its likelihood to occur from a scale of 1 to 3 with 3 being the most likely to occur. Furthermore, the risk was analysed by its potential impact of jeopardising the planned programmes on a scale of 1 to 3 as well and 3 allocated to the highest impact. Finally, to come up with the ranking the likelihood and impact per risk were multiplied to obtain the scores. The bigger the product the higher the ranking of the risk affecting the implementation of this National Development Plan.

CHAPTER 13
MONITORING AND EVALUATION FRAMEWORK FOR THE NDP

13.1. Introduction

The environment in which the NDP will be implemented has become even more challenging with the deterioration in the macroeconomic environment and the tight measures that have been put in place to effect fiscal discipline. This NDP will be implemented during a period of fiscal adjustment characterised by serious fiscal constraints. Achieving the ambitious targets set by government amidst the limited resources environment calls for government commitment and support from different stakeholders to ensure success of the adjustment programme. At the same time, it calls for a strong coordination mechanism at MEPD for formulation and implementation of policy, programmes and projects as well as close monitoring and supervision of their implementation. All stakeholders with key roles are expected to adapt, co-operate and work together. The NDP calls for strengthening of central agencies and the Public Policy Coordination Unit (PPCU) to be able to efficiently coordinate activities, and closely monitor implementation and carry out evaluation of results. The culture of monitoring and evaluating policy implementation is weak and fragmented whereas it is important to have robust M&E systems and competent teams working to timely monitor implementation and take corrective decisions appropriately. Government will invest in a system that will monitor and evaluate the impact of intervention measures inclusive of issues pertaining to climate change, environmental management, disaster risk reduction, population and gender.

M&E plays a dual role of promoting transparency and accountability in the utilisation of national resources as the NDP is being implemented. It helps in assessing progress made and identifies key challenges during implementation to facilitate corrective actions to enhance delivery in a timely, efficient and effective manner. Resultantly, the success or failure of any plan depends largely on its timely implementation, timeous identification of bottlenecks through regular monitoring and timely decision making to address them. Policy implementation is about achieving outcomes at national and sectoral levels, and being accountable to the public and financiers.

13.2. The Rationale for Monitoring and Evaluating the NDP:

i. To make meaningful the development and the design of policies programmes and projects set out in the NDP and other sectoral development plans;
ii. To effectively and continuously monitor the performance of the NDP and evaluate its impact;
iii. To enhance the basis for policy makers and planners to make evidence-based policy, planning and programmatic decisions which will guide allocation of resources;
iv. To generate knowledge and ensure policy makers know about what works and does not work, review their decisions and approaches;

v. To improve the performance of the public sector policies and programmes through the production and use of objective information;
vi. To promote accountability and transparency, as well as improve the confidence of stakeholders and citizens, in the capability of government. It has to account for results which should be based on reliable information;
vii. To strengthen partnerships with other implementers and promote learning and sharing of information; and
viii. To create a new culture of learning from mistakes and good performance.

13.3. Progress in Developing the M&E System since NDP 2019/20 – 2021/22

The National Development Plan of 2019/20 – 2021/22 outlined the challenges associated with monitoring and evaluation progress, and the plans that should be put in place to strengthen the national monitoring and evaluation system. However, very little progress has been made due to systemic and capacity challenges. The following initiatives will be undertaken to ensure progress towards having a robust system and efficient institutions that can monitor and evaluate the impact of programmes:

- A M&E system for monitoring the NDP inclusive of SDGs; and
- An M&E policy – establishing the requirements, roles and capacity development required to establish government-wide systems for monitoring and evaluation. The existing system with Poverty Reduction M&E Division should be strengthened and expanded to cover amongst other things climate change related issues.

During the recent NDP implementation period, very little progress was made:

1. The system funded by UNDP was handed over to the Poverty Reduction M&E Division;
2. The Poverty Reduction M&E Division and planning officers in the different sectors were trained on the use;
3. However, the system has limitations due to data gaps and the absence of corresponding systems in MDAs with which it should be linked; and
4. More infrastructure developments to be put in place before a system can be fully functional. Nonetheless, the system was run minimally.

Surveys carried out:

It is important for the M&E system to be updated regularly with additional indicators and baselines to be incorporated as the NDP is being implemented, to capture new developments and the commencement of certain activities. The CSO is undertaking a number of significant surveys that will be completed by end of 2024.

Table 17: Statistical Surveys 2021 -2023

SURVEY	START DATE	FINISH DATE
Multi-indicator Cluster	2021	2022/23
Economic	2021	2022/23
Agriculture	2021	2022/23
Intercensal	2022	2023/24
Household Income and Expenditure	2022	2023/24

CSO and statistical offices across MDAs need continued capacity strengthening, as a shortage of available data hampers the ability for government and partners to target appropriate interventions, establish evidence-based policies and to monitor progress. Lessons learnt in running the M&E system indicate constraints with the ICT infrastructure in government leading to failure of the system as it does not have enough bandwidth, and more infrastructure development remains to be implemented. In addition, data gaps exist as some surveys have a lag of five years or more resulting in incomplete data. Due to budgetary constraints, Government has depended on financial assistance from development partners to carry out some of the surveys.

The current M&E system has a number of limitations and challenges to be addressed in order to make it fully functional and to minimise the risk of it remaining dormant.

(i) To limit the baseline data and targets to a few key readily available and disaggregated indicators. In this way progress made in the implementation of the Plan can be monitored effectively;
(ii) For monitoring the impact of the NDP, limit the initial M&E framework to a small number of strategic baselines and targets linked to high level objectives;
(iii) Invest in improving the IT infrastructure and expand system to include key indicators on climate change;
(iv) Institutional strengthening is the key component of the M&E systems improvement plan;
(v) To align indicators to SDGs and other international goals where government has committed itself. The decision to use SDG targets allows the NDP to align with support provided by development partners within a common global framework, resulting in alignment of funding and interventions being consistent. This deepens the M&E framework over the five-year period of the NDP
(vi) It is crucial to start monitoring of the NDP implementation on a regular basis and preparations for upgrading and running the system should start at least a few months after the approval of the budget to track budget releases and start of implementation.

As stated above, the M&E framework will be strengthened to allow for alignment of key priority indicators with SDGs and progressively with the AU Agenda, NDCs and other agreements. This NDP acknowledges that the integration of the international agreements and tackling poverty reduction is carried out strategically through sectoral outcomes, strategies and programmes. Tackling the poverty issues will be on a multi-dimensional basis as SDGs already have a framework.

Performance of the 17 SDGs will be assessed with the cooperation of implementing sectors ensuring that there are linkages with their monitoring tools. Some indicators will be developed during the Plan implementation, allowing for review and update of the framework.

13.4. Development of the Monitoring and Evaluation Policy

Government will develop its monitoring and evaluation policy to guide on how monitoring and evaluation will be conducted. It will evaluate the current coordination and M&E institutions, policies, systems, capacity and propose how these aspects could be strengthened and be applied in implementing the NDP. The evaluation will also explore options where the coordination and M&E unit/department should be positioned and how reporting will be structured considering global practices. MEPD will take the leadership in developing the policy, coordinate the M&E function[60], and liaise closely with MDAs that are implementing programmes and projects as well as implementing SDGs. The policy will also give guidance on the data challenges and how they can be addressed to ensure funding, availability of the crucial statistics and credibility of the results. In summary, the policy will spell out:

- The institution which will have the mandate for coordination and running the system;
- Advise on the development and attributes of the M&E system
- Capacity building needs and how capacity will be built for the different institutions to be involved; and
- Roles and responsibilities of key actors in mainstreaming monitoring and evaluation of public sector programmes and projects.

How monitoring and evaluation will be conducted in the public sector:

- Creation of supporting institutional structures for monitoring and evaluation systems; and
- Reporting framework and frequency in the implementation, monitoring and evaluation of public sector programmes and projects

MEPD is the custodian of the NDP and NDS/Vision; and has the mandate for PRMED and CSO, thus takes responsibility for the development of the policy. The Central Statistical Office has the mandate for the collection, dissemination and publication of national statistics. Currently, PRMED and PPCU share the mandate for monitoring and evaluation in the national system. The Sectoral division takes responsibility for policy coordination, budgeting, public investment programme and project management.

The policy will effectively support public finance management in line with the PFM Act (2017) and the Regulations (awaiting Parliament approval). Invariably, it will address the challenges related to implementation, monitoring, evaluation, control of expenditure, and allocation/mobilisation of resources. The Government through the recent Plan started the process of fiscal consolidation aimed at turning around the economic challenges. With this NDP commitment is made to the implementation

[60] Initially the M&E part of PRMED was envisaged to focus exclusively on M&E

focusing on national outcomes and strengthening the national M&E framework[61]. Once the M&E framework is fully operational, it will be based on the 7 principles which were used to guide the development of the NDP and will be used to track delivery of results:

- Focus on priorities of priorities;
- Establish clear accountability;
- Set targets and develop detailed action plans;
- Allocate resources to high impact, high marginal returns prioritised activities;
- Create an enabling policy and regulatory environment;
- Establish a robust M&E framework to monitor and track progress; and
- Communicate, collaborate and co-operate.

13.5. Focus on Priorities of Priorities

An assessment of the performance of the last NDP indicated that priorities remain relevant, focused on macro-fiscal crisis which is challenged by a worsening political climate. The successful implementation of the FAP will be a reflection of government's commitment to reforms and to be tracked using the M&E framework. The macro-fiscal environment is the main determinant in the setting of national and sectoral priorities derived from sector development plans that Government deems necessary for implementation. Selection of priorities of priorities for focus are based on the "low-hanging-fruits" principle only projects with highest impact and highest marginal returns, achievable with least cost are considered for implementation/funding (optimisation principle).

To achieve the strategic objectives of the NDP, emphasis will be placed on implementing critical projects and programmes with the collaboration of development partners, civil society, communities, private sector, academia and research institutions. Selection of priorities of priorities is based on the implementation of policy reforms to attain key priority areas of macro-fiscal stability, growth, agriculture and food security, sufficiency in energy through renewables, digital investments and efficient transport system.

13.6. Establish Clear Accountability, Set Targets and Develop Detailed Action Plans

The NDP is being implemented by MDAs and parastatals, therefore, accountability and transparency is expected. Government's plans to achieve economic recovery and growth are ambitious, and are a responsibility for the public sector with assistance and support from stakeholders. The proposed strengthening of the M&E framework will measure the success of the NDP and monitor and evaluate its strategies; progress will be tracked against clear metrics. Each NDP sectoral outcome has a detailed strategy, outputs, indicators with implementation responsibilities setting out road map for delivery step by step, i.e., who needs to do what and by when. The implementation of the priority strategies will be

[61] By implementing the NDP in full, Government will be implementing and monitoring the execution of SRM, Post –COVID ERP, SDGs, AU Agenda 2063, SADC-RISDP and other international commitments

overseen by the Economic Planning Office through the Sectoral Unit and MPUs working closely with the Ministry of Finance to drive implementation and ensure accountability.

13.7. Mobilisation and Allocation of Resources to Priorities

As described in Chapter 3, there is financing gap which should be filled by grants, concessional funding and borrowing for successful implementation with all NDP sectoral outcomes and strategies having adequate funding. The macroeconomic framework forecasts budget deficits totalling E22 billion over the Plan period 2022/23-2027/28. Government working with stakeholders will ensure that the cooperation assistance responds to and aligns with the national priorities to be deployed efficiently and effectively with clear accountability for results. Priorities include investments in infrastructural development such as renewable energy, roads, dams (water), ICT, meteorology and rail projects, schools and health infrastructure. Considering the threat of climate change and disaster risks, projects will be climate-proofed. PPPs and privatisation will encourage private sector participation in infrastructure, electricity and water supply.

13.8. Creating an Enabling Policy and Regulatory Environment

The right policy, legal, and regulatory environment is required at national and sectoral levels to accelerate implementation of existing and new priority projects, as well as creating a conducive environment for inclusive and sustainable growth and private sector development. The three arms of government will work together to ensure the timely development of stated legislation and reform measures proposed by different sectors to drive the economy during the Plan period.

13.9. Monitoring, Drive Progress and Communication

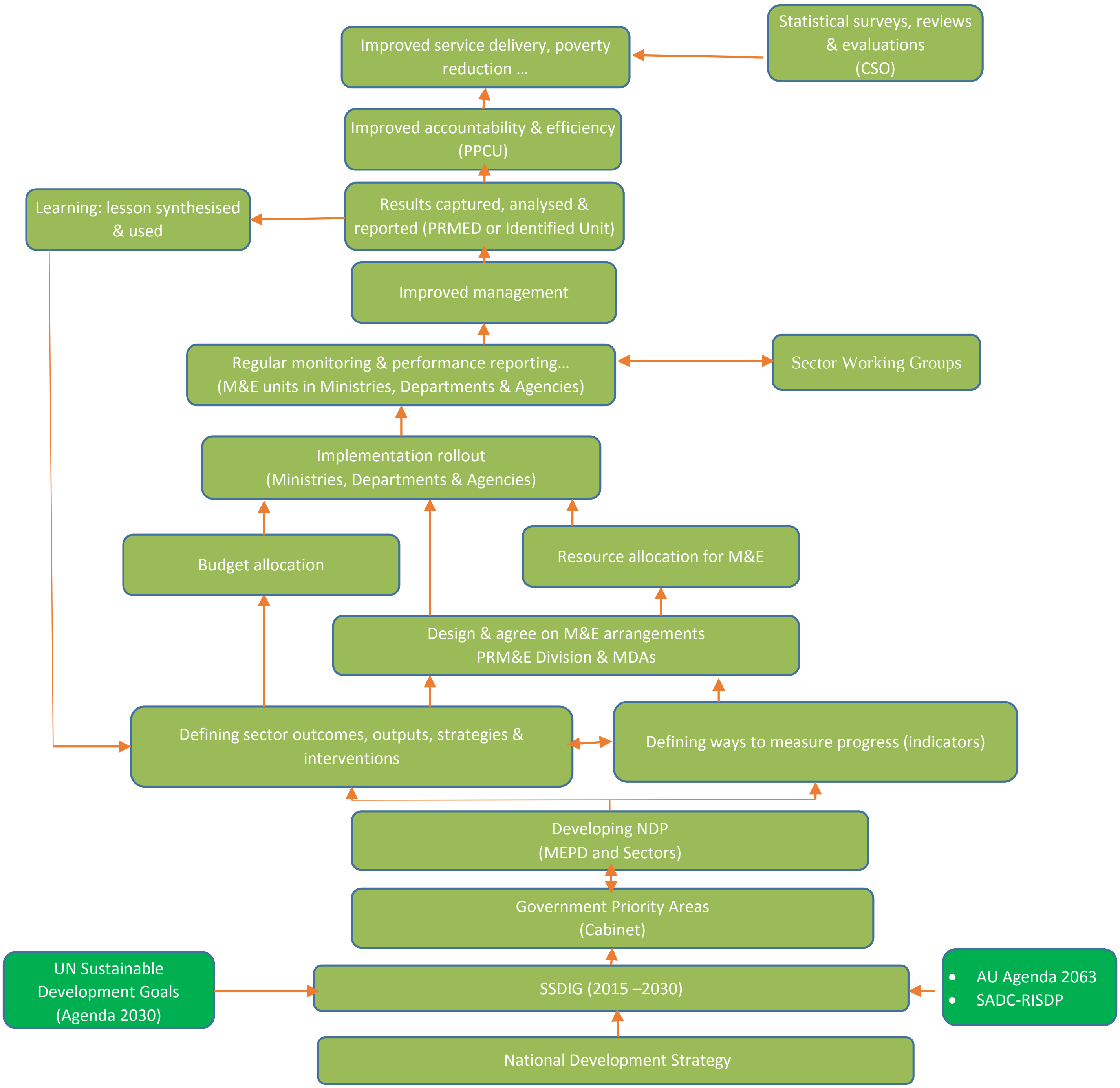
As stated under the proposed M&E policy framework, Government will establish robust delivery and monitoring mechanisms to ensure implementation of the NDP programmes. Comprehensive monitoring and evaluation mechanisms will be established to track and assess the effectiveness of public investment initiatives, as well as to facilitate planning and decision-making process, so as to enable continuous improvements in undertaken efforts. The monitoring and evaluation process will be strengthened to focus on outcomes through cascading an outcome-based approach in results monitoring and resource allocation, as this approach emphasises the achievement of outcomes or results rather than outputs. It allows for more effective resource management and greater value for-money from public investment. The M&E framework encompassing strategies, performance indicators, and targets will be cascaded to MDAs to ensure they are aligned to deliver on national outcomes. Coordination will be improved to increase understanding and visibility of results. A forum for development partners already exists and involvement of other stakeholders will be encouraged by establishing other forums for dissemination and engagement to get audiences.

The MEPD will be responsible for statistics, the coordination and monitoring of the Plan, while PPCU and institutions responsible for climate change, environment and disaster will provide another layer of M&E, in support of the EPO at MEPD. PPCU will focus on the top execution priorities and work closely with MDAs to articulate actionable measures to be taken against any identified constraints. The MEPD will however remain responsible for the overall coordination of all activities within the Plan and will build up a robust M&E capacity in order to successfully carry out this activity. The M& E Framework will be used to track progress of results through regular reports to be produced bi-annually with collaboration of MDAs. A mid-term review of the Plan will be conducted to allow for any adjustments, as well as the end term evaluation to identify achievements and challenges. An independent evaluation will be undertaken to enhance objectivity and transparency, and will work in close coordination with MEPD and share results with the Minister and the Cabinet, stakeholders and the public.

Government will develop a detailed NDP communication plan and will use multiple channels to reach stakeholder groups, including members of the public, civil society, media, private sector organisations, development partners, Parliament, and academia. The main activities will be as follows:

- Bi-annual performance reports by the Minister on the progress of the NDP implementation; and
- Media engagement to ensure that all, particularly youth, can give feedback to Government on the NDP implementation progress.

Figure 20: The National M&E Processes and Actors



13.10.Monitoring and Reporting

The proposed M&E policy will confirm the roles and responsibilities outlined below for monitoring, evaluation and reporting on progress of the NDP 2023/24 - 2027/28. The main responsibilities shared between implementing MDAs, EPO (MEPD) and PPCU of the Prime Minister's Office and the Central Statistical Office.

The role and responsibilities of the different actors are:

(i) Executing MDAs

- Set up internal institutional M&E system to refine plans, monitor progress and make evidence-based decisions on regular basis; and
- Based on the information in the institutional M&E system, report to PPCU and Poverty Reduction M&E Division on status of achievement of plans, utilisation of resources, realisation of planned outputs and outcomes as well as early indication of problems with proposed solutions.

(ii) MEPD

- Is responsible for the overall monitoring of the NDP as well as other national, regional and global policies and strategies;
- Is specifically responsible for amongst other things leading the design of the national M&E system and policy. Implement and maintain these to facilitate regular strengthening of institutional capacity and tracking of progress in the implementation of NDP and regional as well as international/global development agendas;
- Coordinate and operationalise the monitoring, evaluation and reporting works of the NDP, by facilitating communication amongst experts in the different sectors through technical working groups on M&E;
- Regularly monitor and report on the implementation progress of the national and sectoral outcomes and outputs. to develop and provide standard templates and guidance for MDAs for regular reporting and quality control on reports submitted;
- Systematically evaluate the impact of the NDP towards achieving different policy targets as well as facilitate specific poverty diagnostic studies, analysis and research; and
- Regularly assess the information requirement of key decision makers and in cooperation with relevant MDAs formulate strategies of data collection, analysis and reporting to satisfy the information needs.

(iii) The PPCU conducts annual performance reviews, using a grading system/monitoring of policy implementation. However, on climate change, environmental and disaster risk, there will be close collaboration between PPCU, Sectoral and M&E Unit as well as related institutions in the monitoring and evaluation of programmes, particularly NDMA, Climate Change Unit and Eswatini Environmental Authority.

(iv) Central Statistical Office

- Ensure implementation of statistics law and guidelines;
- Improving data quality and standards;
- Advocacy to enhance the use of statistics;
- Capacity building on statistics and methodological improvements in data collection and analysis; and
- Coordinate the national statistical system.

The monitoring, evaluation and reporting system of the NDP constitutes national outcomes consisting of sectoral outcomes and outputs, together with corresponding indicators. Also, it articulates performance targets for each national and sectoral outcome integrated with the result measurement framework including details of data sources and corresponding reporting templates used to guide information flow in line with the planned national and sectoral outcomes on a regular basis. The framework is an integral part of the monitoring and reporting system of the NDP which has been designed in full consultation with all stakeholders and is provided as separate volume.

Moreover, the result framework is intentionally inter-linked with global and regional commitments of the country such as the Sustainable Development Goals (SDGs), AU Agenda 2063 and the SADC - RISDP, to help facilitate monitoring and reporting on such commitments.

In general, the M&E framework of the NDP:

- Is jointly drafted and owned by all MDAs throughout the NDP planning, indicator selection and target setting, as well as development of the result framework;
- Provides all stakeholders with standardised templates and procedures to measure progress of performance against agreed target;
- Enhances the culture of results and performance management as well as a basis for implementation of capacity building on monitoring and evaluation to achieve the desired outcomes of the NDP; and
- Promotes efficiency of implementation and result based reporting to ensure evidence-based decision making as well as policy and programme design.

13.11.Information Resourcing

Data for M&E of the NDP is mainly obtained from two key sources, namely, the socio-economic and demographic statistical surveys and administrative reporting from the sectors. The M&E system is linked to the existing statistical systems of the country which provides data for performance assessment and management. The various indicators of each sectoral outcome have a link with the different surveys organised by CSO which is used to monitor progress towards the achievement of the NDP outcomes. However, some of the data on climate related indicators will come from other sources such as Climate Change Unit, NDMA and Environmental Authority. As a consequence, the institutions will work closely together for the monitoring of the NDP implementation.

As regular monitoring and evaluation as well as reporting is undertaken, CSO capacity will be strengthened and funding will be made available for surveys to generate the necessary statistics and databases. In addition to the statistical data, another source will be performance data generated from regular monitoring on the implementation progress of the targets and planned interventions of the sectoral outcomes and outputs. Data from such reporting is used together with recurrent surveys to provide progress information on the realisation of planned outputs and outcomes.

The M&E Unit will be responsible for coordination, quality control, guidance and templates to the relevant MDAs to enhance the quality of such administrative reporting and generate timely and objective evidence on the achievement of targets. It will also timely flag issues to be addressed by senior decision-makers for course correction, consolidate information across sectors and ministries for use in regular reporting.

MDAs are also responsible for regularly reporting on the progress of sectoral outcomes and outputs on bi-annual basis using pre-defined result-based reporting templates. The M&E Unit will review the quality of the reports and convene half-yearly sectoral progress review meetings.

13.12.Next Steps

Plans to complete data gaps and strengthen the statistical function: the Central Statistics Office has the prime responsibility for collecting and consolidating statistics relating to the indicators for the NDP. Some statistics will be sourced from the Central Bank, MoF, line ministries, parastatals and international organisations such as World Bank, IMF data banks. MDAs also have a responsibility to manage statistics and management information relevant to the NDP. Coordination with development partners through ACMS will be vital as CSO has undertaken data collection with their support. A key aspect of the next steps are interventions to invest in planning, policy and monitoring functions in the relevant institutions for M&E, along with investment in the capacity – skilled staff, systems, resourcing and professional independence in statistical management for CSO. Overall, the intention is to strengthen the national statistical system to monitor the core social and macroeconomic statistics - poverty, GDP, inflation and socio-economic indicators so that more relevant indicators will be collected by government to broaden and deepen the scope for monitoring of progress against strategies and priorities. Furthermore, to have monitoring and evaluation that is iterative and a learning process, where baselines and targets are expanded and strengthened is critical. Government and stakeholders can be able to communicate on the performance of the NDP and sector plans identifying achievements and challenges with the objective to effect corrective actions.

CHAPTER 14 – CONCLUSION

14.1. Introduction

"*A stitch in time saves nine*" best describes how the situation in Eswatini might have turned out had it been tackled when it first emerged. The country finds itself in the current economic quagmire not by default, the signs were there yet the work was not put in soon enough to turn the tide. Stakeholders ascertain that the lack of political will to implement reforms and poor governance has resulted in this state of affairs. It is critical therefore for the country to take stock of achievements and failures as well as take into serious consideration the aspirations of different stakeholders in order for a promising future to be forged. A strong political will and commitment is needed to heal the nation and forge reconciliatory efforts to work together for the betterment of the country and its citizens. There are lessons to be learnt from the past performance with the challenges faced as articulated in the first section of the NDP. Restoring good governance is critical in re-instating the credibility of government and confidence of investors and the nation, and can be used as a first step towards healing this poorly performing economy.

The Government will respond to the challenges and deliver against rising public expectations and accordingly to the aspirations of the stakeholders. In implementing the NDP, the government will vigorously work towards regaining the credibility and trust of the nation, focus will be on uplifting the standard of living for the average Swazi and meet basic needs as priority[62]. Also, focus is on enhancing productivity of the public sector through the implementation of the FAP which demands a new government approach supported by a lean public service, competent productive talent capable of delivering projects and programmes effectively and efficiently. The previous NDP launched a change of the face of public service by advocating for the culture of excellence and agility which this NDP supports. The NDP goes further to advocate for a reduced role of government to allow for the private sector to lead the recovery of the economy, thus emphasis will be on enhancing the role of the government as a facilitator and catalyst for development. Inevitably, Government will invest in new business models for service delivery suited to creating a conducive environment for private sector growth, good governance, poverty reduction and respect for the rule of law. The NDP will be implemented with commitment, so that the country will be on a path for transformation and be presented with new opportunities.

This chapter outlines national aspirations post-2022 representing views expressed during consultations and those drawn from sectoral development plans. For Eswatini to turn around the present socio-political and economic crisis, she will need the political will to implement policy reforms with commitment. Eswatini can advance in political, economic, social, and environmental terms.

[62] Implementation of SDGs will contribute significantly to improvements in lives of ordinary Swazis and fighting poverty and inequality.

14.2. Performance Analysis and Stakeholder Consultations

Sectoral analysis was carried out to ascertain performance at sectoral level and ultimately at national level. The brief assessment of the NDS/Vision 2022 gave a picture of the performance since the launch of the Vision 2022 highlighting challenges and achievements. It is very clear from the analysis that the challenges that emanated into this state of affairs in the country are governance related and also structural in their nature therefore they need to be addressed in an approach inclusive of structural adjustment perspective. It is for this and other reasons that this Plan prioritises primary focus on fiscal consolidation (stopping the bleeding) followed by reforms such as proper planning, robust investment promotion, policy and legislation reform. It goes further to focus on an enhanced private sector participation, peace and stability, and investments in human capital giving attention to the social sectors of the economy to be able to propel the country into a sustainable economic development trajectory. In addition, the improvements in governance will contribute significantly to progressive conditions in economic management, fighting corruption and improving public service delivery.

Consultations with stakeholders confirmed the above and gave insights into the priority areas for actions which will restore the image of the country and contribute towards the turnaround of the economy. The views were gathered from diverse groups and different segments of society, from the youth, civil society, development partners, private sector, communities represented by chiefs and *tindvuna tetinkhundla* and MDAs. They were asked to share their expectations and aspirations as priority areas to be focus action points for the NDP. Underlying the desire to reform is the longing for social cohesion – being one and not a divided nation, and that of investing in a better future for the next generations. Their input is summarized as below:

14.3. Economy

i. Sound macro-fiscal management is priority and the FAP should be successfully implemented. The focus is on healing the economy by solving the fiscal crisis first. Economic growth is not a direct focus but an indirect benefit once the fiscal crisis has been solved and it may take the medium-term. Laying a strong fiscal foundation will set the recovery trajectory towards investments in human capital, infrastructure, quality of life and economic growth. However, direct efforts are expected to be made to unlock the structural bottlenecks that are stiffling growth, so that they are addressed concurrently to bring the necessary stimulus. Without any direct intervention, growth will continue to be sluggish.

ii. Inclusive and sustainable economic growth. The economy needs to be strong, competitive, prosperous and stable in order to generate productive employment opportunities for the youth and future generations. At the same time, robust economic growth will contribute towards macroeconomic stability and poverty reduction.

iii. The private sector must fully participate in the recovery of the economy as a major stakeholder. A conducive business climate is necessary to stimulate private investment both domestic and foreign. This will be enabled by improvements in governance – levelling the playing field and fighting corruption, and investments in infrastructure especially ICT, transport, utilities and human capital.

Opportunities for product diversification will be explored further. The private sector will ensure their business activities are compliant, protect the environment and exercise social responsibility.

14.4. Governance and Public Service Delivery

i. Government is expected to show strong leadership and leave no vacuum in decision making. It will take a strong policy stance and action on corruption. Policy reforms are about taking hard decisions and implementing them to gain positive results and correcting mistakes of poor policy implementation experienced in the past.

ii. Government's credibility and trust from the nation will be restored when the executive, legislative, and judicial institutions are independent and trusted - rule of law and human rights are respected, ensuring that the rights of the people are well protected. Public institutions will be strengthened for they must serve with integrity and commitment embracing the culture of excellence and ethics. Government will live within its means, be prudent in spending, prioritise public investment in projects of high national benefit and contributing to growth, rid of corruption, manage carefully and sustainably public resources in a transparent manner, and exercise evidence-based policy execution taking into account the life of the ordinary Swazi.

iii. Addressing challenges pertaining to political climate and other good governance issues are urgent in order to restore government's credibility, restore confidence of development partners, investors and heal the nation.

iv. Improvements in public service delivery - government that delivers services efficiently and effectively. Stakeholders expect government to be lean, honest and competitive equipped with modern systems so that service delivery is highly responsive, effective and efficient. Also to prioritise the poor ensuring their basic needs are met. Government is also expected to strengthen its relationship with development partners, civil society and the media to actively participate in the delivery of public service.

v. All development programmes will be aligned to the NDP and be used to guide budget allocations and resource mobilisations. The NDP has incorporated the NDC, SDGs, AU agenda 2063 and other priority international commitments.

14.5. Development with a Human Face

i. The future of Eswatini depends on harnessing the demographic dividends by investing in the youth and future generations, through strong social investments in building the sense of belonging and huge investments in human capital development – education and health services. The youth must have a diverse range of relevant skills and opportunities to venture into businesses and grow in the industry.

ii. The youth to get opportunities for start-up businesses/entrepreneurship and be innovative in their respective fields, be able to acquire government support in accessing land, credit, support on the start-up projects and mentoring to acquire different skills, and knowledge to grow in their businesses and be able to thrive creating jobs.

iii. Strengthening and cleaning up the social protection system will ensure the deserving beneficiaries are effectively targeted maximising gains and improving lives. Social grants will be consolidated, improved and contributing towards sustainable livelihoods of the disadvantaged.
iv. In addition, an unquestionable national identity, strong family units acts as the pillar for support system, moral values and ethics contributes to a stronger society that provides opportunities and cares for the vulnerable and under-privileged.
v. Government will ensure significant investments in the education and health sectors so that the population enjoys universal access to quality health care and education services. No children will be denied access to quality education at all levels. Intervention measures to reduce poverty and inequality will be implemented as part of the improvements in enhancing social and human capital developments.
vi. Rural development will be prioritised to ensure that rural areas are well-connected, safe water, sanitation and hygiene is universal, facilities and services are available so that communities can be productive, live respectably and enjoy equitable opportunities with those in urban areas (bridging the rural-urban divide). Rural development will also raise productivity of the agricultural sector, commercialising activities, producing enough food and raising incomes.

14.6. Infrastructure

i. Strengthen infrastructure development to support the recovery of the economy, growth of the private sector, development of human capital and delivery of general public services.
ii. Investments will be made to upgrade physical infrastructure to enhance access and connectivity, public transport system, improving logistics and trade facilitation, increasing broadband coverage, expand coverage and access to safe water services and ensuring certainty of sourcing and delivery of energy while finding means of investing in renewable energy.
iii. Improving coverage, quality and affordability of digital infrastructure will be given priority because digital infrastructure plays a critical role in ensuring that businesses remain competitive and they are connected to the global marketplace. It also ensures modern ways of service delivery and learning for the education sector.
iv. Regular maintenance to enhance quality of infrastructure and climate proofing existing and future investments.

14.7. Climate change and environment

i. Eswatini will implement the NDCs by mainstreaming them in development planning and budgeting processes to ensure that the country adapts and builds resilience in the face of global challenges of harsh challenges pertaining to climate change, environment and disaster risk.
ii. Resources for implementation of the NDP and climate adaptation and mitigation measures. Eswatini will be well prepared for natural disasters, supported financially and technically – investing in advanced systems for multi-hazard early warning and national emergency preparedness, response, recovery, and reconstruction. Government will be committed to protecting and preserving

the environment for sustainability of infrastructure and the well-being of future generations. A fund will be established to strengthen the preparedness of NDMA for emergencies. Resources to be mobilised locally and from development partners.

iii. Protect and conserve the environment while attaining rapid socio-economic growth. Environmental management is seen as a prerequisite to a sustained economic growth. The Environmental Authority will enforce the law and collaborate with NDMA and Meteorological Services to ensure early warning measures are in place, and environment and national assets are protected. There will be a funding mechanism in place for response to disaster emergencies. Better management of valuable endowments to be assigned to relevant agencies for accountability. Climate change and environmental institutions to be consolidated and strengthened.

iv. Promotion of low carbon and renewable sources of energy will be accompanied by environmentally friendly practices which encourage recycling, re-use, reduction of waste etc to be widely applied.

v. Infrastructure construction, maintenance and rehabilitation standards would have been reviewed to ensure adaptation to new standards for residences, offices, transport, schools, dams, energy, water and health facilities etc. to build resilience in view of the disasters being experienced.

vi. Waste disposal and management needs to be prioritised and urgently addressed for clean water sources – streams, rivers, dams and to restore the beauty of the environment and natural heritage to the benefit of local communities. Building on wetlands, river plains and areas prohibited by the law to be discontinued to prevent future disasters. Future activities will be guided by land use planning policy and environmental laws.

14.8. Social Cohesion and National Unity

i. Peace and stability seem to be slipping away leaving a divided nation. Restoring national unity is considered critical for maintaining peace and stability.

ii. Improvements in service delivery by government and proper targeting of services will be undertaken especially concerning social protection for elderly, OVCs, disabled persons etc., restore social responsibilities by government to reduce poverty and vulnerabilities.

iii. The youth feel neglected and at loss for identity. All groupings will be encouraged to participate freely in all programmes. In addition, specific interventions for the youth will be implemented. Culture will be promoted as it is a binding force capable of bringing together the nation.

iv. The nation feels government has taken over responsibilities for protecting families and children by enacting laws without domesticating them. Some have improved lives and others have regressed the family unity and ultimately the national unity. For instance, progress has been made in ensuring equal opportunities for males and females, and there is still a lot more to be done. However, gaps have also been created. Government will review the policies and laws to bring back harmony and also address the issue of the boy child who has lagged behind in development.

v. Citizens are concerned about poor governance and corruption which is perceived to be on an all-time high. The Anti-Corruption Unit will be strengthened through capacity building, systems and empowered to tackle cases, as it is merged with the Human Rights Commission.

14.9. Summary

i. As articulated in Vision 2022 and the previous NDP, emaSwati want to see reforms being implemented to improve governance, save the economy from further collapse, improve people's lives, fight corruption, develop human capital, implement measures towards saving the environment and building resilience against climate change impact. Achieving peace and stability is paramount in creating an environment where all members of the society will enjoy an improved state of well-being with investments made towards building a strong productive future for present and coming generations. Moreover, it will be a period whereby education and health systems are robust and vibrant to provide services effectively and efficiently. As the country prepares for the crafting of the next NDS, the expectations from stakeholders is that the NDP remains the apex tool for development and will build the foundation for reforms to be pursued and aspirations for a better future. The next challenge is to become a progressive, innovative nation in economic, social, and environmental terms. Post – 2027, Eswatini will have a shared national identity and a government that has restored its credibility with respect to rule of law and human rights, with investors and the nation having confidence in it.

ii. This NDP aims at restoring the clearly defined development planning structures necessary for the coherent and justified allocation of resources. It helps to eliminate the multiplicity of national development documents as it incorporates the international commitments made by government and the sectoral development plans. It brings together the relationship between development planning and budgeting and therefore very important for legitimacy of the budgeting process since the budget will be based on the development plan. The NDP will guide the development agenda and its implementation will be monitored and evaluated.

iii. The NDP is also a result of a wide spectrum of consultations conducted done to enrich it but also ensure ownership and rigorous implementation of planned strategies and interventions, with the ultimate goal to sustainably develop the country to the Eswatini that every citizen wants.

ANNEXURES

Table 18: Monitoring and Evaluation Framework

Target	Indicator	SDG related indicator	AU 2063 related indicator	Baseline	Data Source	Champion
National Outcome 1 - Good Governance, Economic Recovery and Fiscal Stability						
Annual growth rate of GDP at 5% starting from 2024	Annual GDP growth rates	8.1.1 Annual growth rate of real GDP per capita	4.1.1 Real GDP growth rate	-1.9%	Economic & Review Outlook	MEPD
Increase agricultural value addition to 15% of GDP by 2027.	Agriculture value added as a % of GDP	None	None	4.9%	Economic & Review Outlook	MEPD
	Agricultural employment as a proportion to total employment	None	None	13.5%	LFS	MoA
Increase manufacturing value addition to 40% of GDP by 2027	Manufacturing value added as a % of GDP	9.2.1 Manufacturing value added as a proportion of GDP and per capita	4.2.1 Manufacturing value added as % of GDP	26.9%	Economic & Review Outlook	MCIT
	Manufacturing employment as a proportion of total employment	9.2.2 Manufacturing employment as a proportion of total employment	None	12.4%	LFS	MCIT
To consolidate and clear all arrears by 2027	Amount of arrears cleared per year	16.6.1 Primary government expenditures as a proportion of original approved budget	20.1.1.1: Proportion of public sector budget funded by national capital markets	E2.560 million	MTFF	MoF
Public debt stabilised at 38% of GDP with FAP, and ultimately to 35% of GDP in 2027	Total Public debt stock as % of GDP	17.4.1 Debt service as a proportion of exports of goods and services	None	43 %	MTFF	MoF

Reduced global perception corruption ranking from 122 to 80 out of 180 countries at the end of Plan period	Global perception corruption ranking	16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months	12.1.1.1:Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official or were asked for a bribe by these public officials during the previous twelve months	122	World Bank report	MoJCA
Reduce fiscal deficit to be less than 5 % of GDP by 2027	Fiscal Deficit as a percentage of GDP	None	20.3.1.2: Resources raised through innovative financing	6.3 %	MTFF	MoF
Sum of wage-bill and transfers reduced to 45% of total expenditures per annum till 2027	Wage-bill & Transfers as % of total expenditure	None	None	53.9%	Annual Reports	MoPS
Reduce wages as a percentage of recurrent expenditure to less than 43%	Wages as a percentage of recurrent expenditure	None	None	49.7%	Annual Reports	MoPS
Reduce recurrent expenditure as a percentage of total expenditure to less than 75% per annum	Recurrent expenditure as a percentage of total expenditure	17.1.1 Total government revenue as a proportion of GDP, by source	20.2.1.1: Total tax revenue as a % of GDP	78.3%	MTFF	MoF
	Total grants received	17.2.1 Net official development assistance, total and to least developed countries	20.3.1.1: Total ODA as a percentage of the national budget	US$254.2 million	External Assistance Report 2018/19	MEPD
Share of non-SACU revenue to reach at least 70% of total revenue as revenue base diversifies.	Non-SACU receipts as a % of total revenues	17.12.1 Average tariffs faced by developing countries	None	35.2%	MTFF	MoF

Gross official reserves increased to above 3 months of imports cover per annum	Gross official reserves months of import cover	None	None	3.5 months	CBE	MoF
Maintain an average inflation rate of between 3% – 6% per annum till 2027	Average inflation rate per annum	2.c.1 Indicator of food price anomalies	None	4.7%	Economic Bulletin	MEPD
Reduce the number of SoEs to about 30 by 2027.	Number of SoEs over the Plan period (2023 -2027)			45	PEU Report	MoF
National Outcome 2 - Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth						
Increase nominal export growth to be greater than 12% by 2027.	Nominal export growth (%)	17.11.1 Developing countries' and least developed countries' share of global exports	None	2.7%	Eswatini Revenue Services trade data	MCIT & Private Sector
Increase the proportion of exports destined to SACU region from 69% to at least 75% over the NDP period.	Proportion of exports destined to SACU region as % of total exports	17.11.1 Developing countries' and least developed countries' share of global exports	9.1.1.a: Existence of an African Continental Free Trade Area (AfCFTA) that is ratified by all AU member states	69%	Economic Bulletin	MEPD
Improve the overall world Business Enabling Environment (BEE) ranking	Overall World Business Enabling Environment (BEE) ranking	None	None	Business Enabling Environment (BEE) will be launched, operationalized and specific country ranking will be set by 2025	World Bank	MCIT
Favourable Trading across borders' World Bank Business Enabling Environment (BEE) Rank by 2027	'Trading across borders' World Bank Business Enabling Environment (BEE) Rank	None	None		World Bank	MCIT
Improve the Global Competitiveness Index from number 121 in 2019 to 100 out of 140 countries in 2027	Global Competitiveness index	None	None	121	Annual reports	MCIT

All commercial borders (4) operating 24 hours, efficiently, technologically innovative and compliant	Number of commercial borders (4) operating 24 hour	17.11.1 Developing countries' and least developed countries' share of global exports	10.1.1 At least national readiness for implementation of the trans African Highway Missing link is achieved	2 Ngwenya/Oshoek Mhlumeni/Goba	Annual Reports	MoHA
Average electricity inflation per year brought down to 5% beginning in 2023	Average electricity inflation per year (%)	7.1.1 Proportion of population with access to electricity	1.3.1.a: Percentage of household with access to electricity	> 15%	Annual Reports	MNRE
Skills-gap reduced from 47.1% to 42% by 2027	Percentage skills-gap per annum	None	None	47.1 %	Annual Reports	MoLSS
Increase annual imports of construction and capital goods to greater than 10% of GDP	Annual imports of construction and capital goods as a % of GDP	11. c.1 Financial support that is allocated to the construction and retrofitting of sustainable, resilient and resource (water & energy)-efficient buildings from government.	20.3.3.1: Resources raised through innovative financing mechanisms as a % of national budget	7.2 %	Eswatini Revenue Service	MoF
Reduce overall unemployment rate to 20 percent by 2027	Unemployment rate (%)	8.5.2 Unemployment rate, by sex, age, and persons with disabilities	1.1.2.1: Unemployment rate	33.3%	Labor Force Survey	MoLSS
Reduce youth unemployment from 58.2 to 40 percent by 2027	Youth unemployment rate	8.5.2 Unemployment rate, by sex, age, and persons with disabilities	18.1.1.1: Unemployment rate among the youth	58.2%	Labor Force Survey	MoSCYA

Table 19: Linking NDP to Regional, Continental and International Development Frameworks

RISDP	African Union (AU) Aspirations	Sustainable Development Goals	Sendai Framework	NDC
1. Good Governance, Economic Recovery and Fiscal Stability				

	Proportion of youth (aged 15-24 years) not in education, employment or training (NEET)	8.6.1 Proportion of youth (aged 15–24 years) not in education, employment or training education, employment or training (NEET)	None	35%	Labor Force Survey	MoSCYA
Harness the demographic dividend by creating opportunities for the youth to create 1,500 jobs per year commencing in 2024	Number of youth benefitted from the Rural Development Fund, Youth Enterprise fund, Inhlanyelo Fund	None	None	No data	Annual Reports	MoSCYA
Significantly increase the number of new businesses started and survival rate of new businesses especially MSMEs by 20% per year starting in 2024	Number of functional youth enterprises	None	None	No data	SMME Annual Reports	MCIT
Increase number of new jobs to above 4,000 by 2027	Number of net new jobs created per year	8.3.2 Number of jobs created in a year	None	4,917 jobs	EIPA Annual Reports	MCIT -EIPA
Non-performing Loans brought down from 6.2% to 5% (international benchmark) by 2027	Non-performing loans as % of credit extended	None	None	6.2%	Quarterly CBE Reports (2021)	MoF
Increase the number of industrial estates to 4 by 2027	Number of industrial estate developed	None	None	3	Annual Reports	MCIT
	Percentage of export with value addition and beneficiation of local primary products	None	None	32%	Annual Reports	MCIT
	Percentage of MSMEs with access to finance	8.3.5: Number of MSME who received MSME funds. 9.3.2 Number of SMMEs with access to credit	None	9%	Annual Reports	MoF

Improve the manufacturing and agriculture sector real economic growth to outpace tertiary sector real economic growth over period by 2027	Ratio to manufacturing growth rate to Tertiary sector growth rate	None	None	13.4 : 2.2	Central Bank	MCIT
	Ratio of agriculture growth rate to tertiary sector growth rate	None	None	4.9 : 2.2	Central Bank	MoA
Increase agriculture sector growth by 6% annually, beginning in 2024	Annual growth rate of the agriculture sector	None	None	1.5%	Central Bank	MoA
Improve agriculture sector contribution to employment creation by at least 6,000 jobs in the next 5 years, translating to 1,200 jobs/year to 2027	Number of jobs created in the agricultural sector per year	2.3.2 Number of new jobs created and sustained in the agricultural sector	None	37,140 (LFS 2016) 32,660 (LFS 2021)	MoA	MCIT
Increase maize production to 140 000m.t. per annum	Maize production (tons) per year	2.3.1 Volume of production per labour unit by classes	5.1.1.1: Growth rate of yields for the 1st national priority commodity	100,041.6 m.t.	VAA Reports	MoA
Increase export oriented agricultural production from 6% to 11% starting from 2023	Annual agricultural exports growth rates	2.b.2 Agricultural export subsidies	None	6%	Annual Reports	MoA
Reduce post–harvest losses in maize production from 35-42%	Percentage of post-harvest loss (maize)	None	None	35 – 42%	Annual Reports	MoA
Increase access to water for farming purposes through the construction of 40 medium dams by 2027.	Number of medium dams constructed	6.3.2 Proportion of bodies of water with good ambient water quality	7.1.2.a: Percentage of terrestrial and inland water areas preserved	15	Annual Reports	MoA
Enhanced tourism attracting sites	Number of international tourists visited Eswatini annually	8.9.1 Tourism direct GDP as a proportion of total GDP and in growth rate	4.4.1.1: Tourism value added as a proportion of GDP	295,355	ETA Report	ETA

	Number of domestic tourists	8.9.1 Tourism direct GDP as a proportion of total GDP and in growth rate	4.4.1.1: Tourism value added as a proportion of GDP	210,705	ETA Report	ETA
Annual net foreign direct investment Inflows increased to at least 3.5% of GDP by 2027	FDI as a share of GDP	17.3.1 Foreign direct investment, official development assistance and South-South cooperation as a proportion of gross national income	None	-1.3%	Economic Bulletin	MCIT
Overall unemployment rate brought down from 33.3% in 2021 to at least 20% by 2027, equivalent to 4,000 new net jobs on average every year	National Unemployment rate	8.5.3 Percentage of Unemployed persons by sex and age	1.1.2 Reduce 2021 unemployment rate by at least 25%	33.3%		
National Outcome 3 - Enhanced Social & Human Capital Development						
Reduce maternal mortality rate from 452 to 300 per 100,000 live births	Maternal mortality rate	3.1.1 Maternal mortality ratio	3.1.2.a: Maternal mortality ratio	452 per 100,000 live births	NHSSP	MoH
Reduce new-born deaths from 20 to 15 per 100 live births	Neonatal mortality rate	3.2.2 Neonatal mortality rate	3.1.2.b: Neonatal mortality rate (per 1,000 live births)	21 per 1 000 live births	NHSSP	MoH
Reduce under 5 stunting from 25.5% to 20% by 2027	Prevalence of stunting for children under	2.2.1 Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) child growth standards) among children under 5 years of age	3.1.5.1: Prevalence of underweight among children under 5	25.5%	NHSSP	MoH
Reduce HIV incidence from 1.36% to 0.4%	HIV incidence 15 – 24 years	3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	3.1.3.1: Number of new HIV infections per 1,000 population	1.36%	NHSSP	
Reduce risk of premature mortality from	Mortality rate attributed to cardiovascular	3.4.1 Mortality rate attributed to cardiovascular	None	Cardiovascular diseases 5.5,	NHSSP	MoH

cardiovascular diseases, cancer, diabetes, or chronic respiratory diseases from 21% to 20%	disease, cancer, diabetes or chronic respiratory disease per 100,000	disease, cancer, diabetes or chronic respiratory disease		diabetes mellitus 7, cancer 11, chronic obstructive pulmonary diseases 3.2.		
Participation rate of children aged 5 years increased from 40% - 52%.	Participation rate of children aged 5 years	4.2.1 Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being, by sex 4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex	2.1.1.1: Percentage of children in pre-school age attending pre-school	40%	Annual Education Census	MoET
Increase primary retention rate from 92% - 94%	Retention rate primary	4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)	2.1.2.1: Net enrolment rate in primary education	91.37 %	EHIES	MoET
Improve secondary retention rate from 83% - 87%	Retention rate secondary	4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)	2.1.4.1: Secondary school net enrolment rate	83%	Annual Education Census	MoET
Increase secondary enrolment rates from 46.3% to 55% in 2025	Lower secondary net enrolment rates	4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)	2.1.4.1: Secondary school net enrolment rate	46.3%	Annual Education Census	MoET
Reduce Out of school children (OOSC) from 17% - 13.5%	Out of school children (OOSC)	4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)	None	17%	EMIS	MoET
Increase percentage of TVET graduates absorbed by labor market from 60% - 70%	Percentage of TVET graduates absorbed by labor market	4.3.1 Participation rate of youth and adults in formal and non-formal education	None	60%	EMIS	MoET

		and training in the previous 12 months, by sex				
Percentage of secondary schools adhering to SCCS standards <1% - 100%	secondary schools adhering to SCCS standards	4.a.1 Proportion of schools offering basic services, by type of service	None	0%	EMIS	MoET
Increased access to safe/potable water of households by 10% by 2027, (annual increase by 2%).	Proportion of population with access to safe portable water	6.1.1 Proportion of population using safely managed drinking water services	1.3.2.1: Percentage of population with access to safe drinking water	75.6%	EHIES	MNRE
Increased water coverage of households from 69% to 80%	water coverage	6.1.1 Proportion of population using safely managed drinking water services	1.3.2.1: Percentage of population with access to safe drinking water	69 %	SMICS	MNRE
Increased access to sanitation from 53% to 85% by 2027	Proportion of population with access to safely managed sanitation services.	6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water	1.3.4.1: Percentage of population using safely managed sanitation services	53%	EHIES	MNRE
Reduce open defecation from 11% to 5% by 2024 and eliminate by 2027	Proportion of population practicing open defecation.	6.2.3 Proportion of population practicing open defecation	1.3.4.1: Percentage of population using safely managed sanitation services	11%	SMICS	MoH
Increased percentage of people practising appropriate and sustainable hygiene from 26% to 50% by 2027	Access to hygiene	6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water	1.3.4.1: Percentage of population using safely managed sanitation services	26%	SMICS	MoH
Improve food and nutrition security by 10% annually, starting from 2023	Prevalence of undernourishment/underweight for children under 5 by sex	2.1.1 Prevalence of undernourishment	1.2.3.1: Prevalence of undernourishment	5.8%	SMICS	MoA
	Prevalence of stunting for children under 5 by sex	2.2.1 Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age	1.2.3.1: Prevalence of undernourishment	25.6%	SMICS	MoA

	Prevalence of wasting for children under 5 by sex	2.2.2 Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)	1.2.3.1: Prevalence of undernourishment	2.0 %	SMICS	MoA
	Prevalence of overweight for children under 5 by sex	2.2.2 Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)	None	9%	SMICS	MoA
Increase production of maize to 140,000m.t. per annum	Amount of metric tonnes of maize produced per annum	2.3.1 Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size	5.1.1.1: Growth rate of yields for the 1st national priority commodity	100,041.6 M.T.	VAA	MoA
Percentage agricultural land increased from 71.9% to 73.5%	Percentage of agricultural land	2.4.1 Proportion of agricultural area under productive and sustainable agriculture	7.1.1.1: Percentage of agricultural land placed under sustainable land management practice	71.9%	VAA	MoA
Reduce percentage of people living in poverty from 58.9 percent (EHIES 2017) to at least 54 percent by 2027	Percentage of people living in poverty	1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	1.2.1 Reduce 2013 levels of poverty by at least 30%	58.9%		
Reduce percentage of people living in extreme poverty from 20.1	Extreme poverty rates by sex, residence and regional	1.2.1 Proportion of population living below the	1.2.2.1: Percentage of population living	20.1%	EHIES	MEPD

percent (EHIES 2017) to at least 17 percent by 2027		national poverty line, by sex and age	below the national poverty line			
Reduce the working poor from 38.9 percent (EHIES 2017) to at least 34 percent by 2027	Proportion of the working poor population	1.2.1 Proportion of population living below the national poverty line, by sex and age	1.2.2.1: Percentage of population living below the national poverty line	38.9%	EHIES	MEPD
Improve the Multidimensional poverty index from 0.081 to 0.05 in 2027.	Multidimensional poverty index	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	None	0.081	HDR	MEPD
Reduce child poverty rate from 56.5% in 2016 to 40% in 2027.	child poverty rate	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	None	56.5%	EHIES	MEPD
Substantially reduce the proportion of youth not in employment, education or training from 35% in 2021 to at least 15% by 2027	Proportion of youth (aged 15-24 years) not in education, employment or training (NEET))	8.6.1 Proportion of youth (aged 15–24 years) not in education, employment, or training (NEET).	18.1.2.1: Unemployment rate among the youth	43.9%	LFS	MoSCYA
Reduce youth unemployment by 10 percentage points	Youth unemployment rate	8.5.2 Unemployment rate, by sex, age and persons with disabilities	18.1.2.1: Unemployment rate among the youth	58.2%	LFS	MoSCYA
	Number of youth businesses awarded tenders annually	8.5.2 Unemployment rate, by sex, age and persons with disabilities	18.1.2.1: Unemployment rate among the	No data	Annual Reports	MoSCYA
	Number of youth business beneficiaries in finance and financial services	8.5.2 Unemployment rate, by sex, age and persons with disabilities	18.1.2.1: Unemployment rate among the	No data	Annual Reports	MoSCYA
	Number of thriving youth businesses and those that have transitioned from the informal economy to the	8.5.2 Unemployment rate, by sex, age and persons with disabilities	18.1.2.1: Unemployment rate among the	No data	Annual Reports	MoSCYA

	formal economy under this programme					
	Survival rate of youth businesses	8.5.2 Unemployment rate, by sex, age and persons with disabilities	18.1.2.1: Unemployment rate among the	No data	Annual Reports	MoSCYA
Increased number of OVC population covered by social protection to 100%	Number of OVC population covered by social protection by sex.	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	1.2.2.2:Percentage of population living below the poverty line	26% (60 373 beneficiaries)	Social Security Inquiry (SSI) report	DPMO
Increased number of vulnerable elderly persons covered by social assistance programmes to 100%	Number of vulnerable elderly persons, covered by social assistance programmes by sex.	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	1.2.2.2:Percentage of population living below the poverty line	48.7%	Social Security Inquiry Report	DPMO
Increased number of persons with disabilities covered by social assistance programmes to 100%	Number of persons with disabilities covered by social assistance programmes	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	1.2.2.2:Percentage of population living below the poverty line	TBU	Social Security Inquiry Report	DPMO

Improve registration of vital statistics especially births to 100%	Percentage of registered births	16.9.1 Proportion of children under 5 years of age whose births have been registered with a civil authority, by age 17.19.2 Proportion of countries that (b) have achieved 100 per cent birth registration and 80 per cent death registration	17.2.2.1: Proportion of children whose births are registered in the first year	TBU	Civil Registration and Vital Statistics Report	MoHA
Proportion of injured persons covered by the Workmen's Compensation Fund increased to 100%	Proportion of injured persons covered by the Workmen's Compensation Fund per year	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	1.2.2.2:Percentage of population living below the poverty line	TBU	Annual Reports	MoLSS
Unemployment Benefit Fund Established and operational	Establishment of unemployment benefit fund	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable	1.2.2.2:Percentage of population living below the poverty line	Not Established	Annual Reports	MoLSS
50% of women decision makers in cabinet as per SADC Gender and Development Indicator	Percentage of women decision makers in cabinet;	5.5.1 Proportion of seats held by women in national parliaments and local governments	17.1.2.1: Proportion of seats held by women in national parliaments, region and local bodies	29%	National Elections Report	DPMO

50% of women decision makers in the judiciary as per SADC Gender and Development Indicator	Percentage of women decision makers in the judiciary;	5.5.2 Proportion of women in managerial positions	17.1.2.1: Proportion of seats held by women in national parliaments, region and local bodies	26.5%	Annual Reports	DPMO
50% women decision makers in the parliament as per SADC Gender and Development Indicator	Percentage of women decision makers in the parliament	5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments	17.1.2.1: Proportion of seats held by women in national parliaments, region and local bodies	22%	National Elections Report	DPMO
100% investigation and prosecution of cases of sexual and gender-based violence against women and children	Percentage of referred cases of sexual and gender-based violence against women and children that are investigated and sentenced;	5.2.2 Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence 11.7.2 Number of persons victim of physical or sexual harassment, by sex, age, and place of occurrence 12 months	17.2.1.1: Proportion of women and girls subjected to sexual and physical violence	48.2%	SWAAGA	MoJCA
National Outcome 4: Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law – Good Governance						
Improved perception of public sector service delivery	Number of public service institutions which conducted perceptions survey	16.6.2 Proportion of the population satisfied with their last experience of public services	12.1.1.1: At least 70% of the public acknowledge the public service to be professional, efficient responsive, accountable, impartial and corruption free	No Data	Perceptions survey report	MoPS
	Number of trained Traditional Leaders	None	16.1.1.1: Proportion of the content of the	1,000	Annual Reports	MoPS

			curricula on indigenous African culture, values and language in primary and secondary schools			
	Number of trained Politicians and Local Government officials	None	None	600	Annual Reports	MoPS
Modernisation of government services leveraging on ICTs and transforming the country to an information and knowledge economy	Number of government ministries using modernized and operational ICT system	9.c.1 National Network coverage	10.1.5.2 Percentage of ICT contribution to GDP	MoF – Treasury department MCIT – Company registration, Licences renewals MoH – CMIS MoHA- Travel documents	e-Government Report	Cabinet
	Labour systems harmonized with education systems.	9.c.1 National Network coverage	10.1.5.2: Percentage of ICT contribution to GDP	No data	Annual Reports	MICT
	Number of current births and deaths registered in hospitals	16.9.1 Proportion of children under 5 years of age whose births have been registered with a civil authority, by age 17.19.2 Proportion of countries that (b) have achieved 100 per cent birth registration and 80 per cent death registration	17.2.2.1: Proportion of children whose births are registered in the first year	26 719 children under 5 years	Civil Registration and Vital Statistics Report	MoHA

Self-driven and productive public servants – culture of excellence	Number of trainings for civil servants	None	None	No data	Annual Reports	MoPS
Increased adherence to Constitutional dictates	Number of laws aligned to the Constitution	None	None	14	Performance Reports	MJICA
Improve on governance and combat corruption – make progress ranking in the Corruption Perception Index	National Corruption Perception Index	16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months	12.1.1.1:Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official or were asked for a bribe by these public officials during the previous twelve months	37.4%	National Corruption Perception Survey Report 2017	MJICA
To reduce criminal activities and improve credibility of the justice system	Crime rate	16.3.1 Number of reported cases of violence in the previous 12 months who reported their victimization to competent authorities	None	33.71%	Numbeo.com	REPS
Strengthen international relations for improved country image	External Aid Assistance	17.2.1 Net official development assistance, total and to least developed countries, as a proportion of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee donors' gross national income (GNI)	None	US$ 254.2 million	External Aid Assistance Report	MEPD
Investments in human capital development and	Proportion of urban population leaving in cleaner environment	11.a.1 Proportion of population living in cities and towns that implement	1.3.3.1:Proportion of urban population living	60%	Annual Reports	MHUD

safety nets to grow by 40 percent		urban and regional development plans integrating population projections and resource needs, by size of city	in slums, informal settlements or inadequate housing			
	Percentage of road resurfaced to bitumen standard and fitted with storm water drains	13.b.1 Amount of support, for climate change initiatives	None	70%	Annual Reports	MHUD
	Percentage of well-planned human settlements though out the country and improved life quality for residents	11.a.1 Proportion of population living in cities and towns that implement urban and regional development plans integrating population projections and resource needs, by size of city	1.3.3.1:Proportion of urban population living in slums, informal settlements or inadequate housing	70%	Annual Reports	MHUD
Nation building and unity to restore peace and stability through reducing human trafficking	Percentage of human trafficking	16.2.2 Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation	18.1.2.3:Percentage of children who are victims of human trafficking	No baseline	Annual Reports	Cabinet
National Outcome 5 - Well Managed Natural Resources & Environmental Sustainability						
By 2027, achieve universal and equitable access to safe and affordable drinking water for all	Proportion of population with access to safely managed drinking water	6.1.1 Proportion of population using safely managed drinking water services	1.3.2.1: Percentage of population with access to safe drinking water	75.6%	EHIES	MNRE
Increase clean water coverage from 69% to achieve 80% by 2027	Water coverage	6.1.1 Proportion of population using safely managed drinking water services	1.3.2.1: Percentage of population with access to safe drinking water	69%	MICS	MNRE
Achieve access to adequate and equitable sanitation and hygiene for all by 2027	Proportion of population with access to safe sanitation	6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water	1.3.4.1: Percentage of population using safely managed sanitation services	53.68%	EHIES	MoH

Government farms leased out to independent farmers, one per year.	Number of unpleased government farms	None	None	23		
By 2027 put in place a policy for land use	Number of policies and regulations established	None	None	No policy	Annual Report	MoA
Develop a Natural Resource Development Strategy by 2027	Natural Resource Development Strategy	None	None	Energy Master-plan, 2018	Annual Report	MNRE
Ensure universal access to affordable, reliable energy services	Proportion of household with access to electricity	7.1.1 Proportion of population with access to electricity	1.3.1.a: Percentage of household with access to electricity	82%	Annual Report	MNRE
	Proportion of household with primary reliance on clean fuels and technology (electricity, solar power, LPG)	7.1.2 Proportion of population with primary reliance on clean fuels and technology	1.3.1.a: Percentage of household with access to electricity	Lighting 64.38 Heating 14.64 Cooking 32.50	EHIES	MNRE
Provision of electricity power is secured domestically by 2025 to support private sector growth	MW of electricity generated domestically per year	7.1.1 Proportion of population with access to electricity	10.1.4.1 No. of Mega Watts added to the national grid in the last two years	60.4 MW hydro- utility 2 MW Hydro - own consumption 105 MW Biomass 10 MW Solar PV-utility 17 MW Solar PV-own consumption 2.2 MW Coal-own consumption	Annual Report EEC	MNRE
The proportion of renewable energy as a source of power increased by 50% domestically by 2027	Proportion of renewable energy generated domestically per year	7.b.1 Installed renewable energy-generating capacity in developing countries (in watts per capita)	1.3.1.1: Percentage of household with access to electricity	30% of total consumption and 100% of local generation	EEC	MNRE

				Increase access and use of electricity a		
50% Progress towards attaining sustainability towards fuel supplies achieved by 2027	Fuel Reserve capacity in litres	None	None	2-3 Days (4.4 Million Litres)	Annual Report	MNRE
Increase community knowledge on climate change resilient by 2027	Proportion of communities sensitized with climate change resilient knowledge	13.1.1 Developed national and local disaster risk reduction strategies	None	No data	Annual Report	MTEA
By 2027 more than 70% citizens will be cognisant of biodiversity and ecosystems, their value and how to conserve and use these sustainably	Proportion of the citizens aware within targeted groups	13.1.1 Developed national and local disaster risk reduction strategies	None	No data	Annual Report	MTEA
Adopt clean and environmentally sound technologies and industrial processes that reduce carbon emissions.	Total emissions of CO2 in the country	9.4.1 CO2 emission per unit of value added	None	1090 kt	theglobaleconomy.com	MTEA
By 2027 the rate of loss, degradation and fragmentation of all Eswatini's natural habitats is at least halved.	The country's natural habitat and ecosystems.					
15.3.1 Proportion of land that is degraded over total land area	None	No data	Annual Report	MTEA		
Ensure sustainable utilization and conservation of aquatic resources (wetlands, rivers, etc)	Proportion of the country's wetland mapped according to Ramsar Convention	6.6.1 Change in the extent of water-related ecosystems over time	7.1.2.1 Percentage of terrestrial and inland water areas preserved.			

Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services. s	Total forest area	15.1.1 Forest area as a proportion of total land area	7.1.2.1: % of terrestrial and inland water areas preserved.	804,350 hectares	FAO report	MNRE
National Outcome 6 - Efficient Economic Infrastructure Network						
By 2027, all infrastructure should be climate and disaster risk resilient.	Number of capital projects with climate smart feasibilities studies approved.	13.b.1 Amount of support, for climate change initiatives	None	0	Feasibility Studies	MoPWT
Paved roads coverage increased from 1626km to 1948km by 2025	Proportion of gazetted road network accessible all year round	9.1.1 Proportion of gazetted road network accessible all year round	10.1.1.1: Percentage of progress made on the implementation of Trans-Africa Highway Missing link	Paved roads 1523 km Unpaved roads 1666 km Feeder roads 2067 km	Roads Departmen t Report	MoPWT
Improved capacity and volumes for Mpaka and Matsapha ICD from 0 to 68 tones and 55 700 to 75 000 tones, respectively by 2025	Total tons transported by rail	9.1.2 Passenger and freight volumes, by mode of transport	10.1.2.1: Percentage of the progress made on the implementation the African High Speed Rail Network	Mpaka 0 tones Matsapha 55 700 tones	Annual Report	MoPWT
Improve and upgrade buildings and housing to climate resilient infrastructure by 2027	Number of buildings with climate smart plans/feasibilities studies approved.	13.b.1 Amount of support, for climate change initiatives	None	None	Annual Report	MoPWT
Improve reliability & accuracy of weather information through modernisation of weather infrastructure by 2027	Number of fully equipped weather stations	13.3.2 Strengthening of national institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions	None		Annual Report	MTEA

Improved coverage, quality, reliability and affordability of digital infrastructure by 2027	Proportion of population with access to internet	17.8.1 Proportion of individuals using the Internet	1.1.1.2: Percentage of population using internet	78%	Annual Report	MICT
Cost of data brought down from 2nd highest in Sub-Saharan Africa to at least 10th by 2027	Average annual cost of internet data/	17.8.1 Proportion of individuals using the Internet	1.1.1.2: Percentage of population using internet		Annual Report	MCIT
	Fixed broadband width speed and availability	17.6.1 Fixed Internet broadband subscriptions per 100 inhabitants, by speed	1.1.1.2: Percentage of population using internet	1625.52 KBps	Swaziland Internet Speed	
Provision of electricity power is secured domestically by 2025 to support private sector growth	MW of electricity generated domestically per year	7.1.1 Proportion of population with access to electricity	1.1.1.1: Percentage of household with access to electricity	60.4 MW hydro-utility 2 MW Hydro - own consumption 105 MW Biomass 10 MW Solar PV-utility 17 MW Solar PV-own consumption 2.2 MW Coal-own consumption	Annual Report EEC	MNRE
The proportion of renewable energy as a source of power increased by 50% domestically by 2027	Proportion of renewable energy generated domestically per year	7.2.1 Renewable energy share in the total final energy consumption	1.1.1.1: Percentage of household with access to electricity	10 MW Solar PV-utility	Annual Report EEC	MNRE
50% Progress towards attaining sustainability towards fuel supplies achieved by 2027	Fuel Reserve capacity in litres	None	None	2-3 Days (4.4 Million Litres)	Annual Report	MNRE
▪ To achieve 80% clean water coverage by 2027	National coverage of clean and safe water	6.1.1 Proportion of population using safely managed drinking water services	1.1.1.4: Percentage of population with access to safe drinking water	69%	MICS	MNRE
Construction of at least 3 new multi-purpose dams by 2027.	Number of multi-purpose dams constructed	6.5.1 Degree of integrated water resources management	7.1.2.1: Percentage of terrestrial and inland water areas preserved	None		MNRE

RISDP 7: Enhanced macroeconomic stability and convergence. **RISDP 1**: An industrialised regional economy that sustainably exploits its natural resources leveraging on science, technology and innovation.	**AU 4: Transformed economies** **AU 11: Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched.** **AU 12: Capable institutions and transformative leadership in place** **AU 13: Peace security and stability is preserved**	**SDG 16**: Peace , justice and strong Institutions **SDG 8:** Decent work and economic growth	**GT (c)** Reduce direct disaster economic loss in relation to global gross domestic product.	• Increase the contribution of agriculture to economic development to support both food security and income generation
2. Enhanced And Dynamic Private Sector Supporting Sustainable And Inclusive Growth				
RISDP 5: Free movement of goods, services and skills. **RISDP 6**: Increased financial integration, monetary cooperation, and investment	**AU 4: Transformed economies**	**SDG 8:** Decent work and Economic growth **SDG 9:** Industry, Innovation and Infrastructure	**P3.** Investing in disaster prevention and mitigation as an asset for sustainable development.	• Climate proof existing infrastructure, particularly critical infrastructure
3. Enhanced Social and Human Capital Development				
RISDP13: Proactive programming and monitoring measures to improve health systems and nutrition outcomes in the region. **RISDP 14**: Significant number of SADC citizens with improved living standards. **RISDP 15:** Enhanced human capacities for socio-economic development.	**AU 3: Healthy and well-nourished citizens** **AU 2: Well educated citizens and Skills revolution underpinned by science, technology and innovation.** **AU 1: A high standard of living, quality of life and well being for all citizens.** **AU 5: Modern agriculture for increased productivity and production.**	**SDG 3:** Good health and well-being. **SDG 4:** Quality education **SDG 2:** Zero hunger **SDG 6:** Clean water and sanitation **SDG 1:** No poverty **SDG 10:** Reduced inequality **SDG 11**: Sustainable cities and communities	**GT (a)** Reduce mortality **GT (d)** Substantially reduce disaster damage to critical infrastructure and disruption of basic services, among them health and educational facilities, including through developing their resilience	• Reduce poverty and improve food and nutrition security through sustainable use of natural resources, improved access to markets • Enhance Water supply, Sanitation and Hygiene (WASH) Sector contribution to sustain healthy livelihoods • Assess sustainable water supply • Leverage the use of technologies to help health sector adapt to climate change
4. Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law – Good Governance				

RISDP 1: An industrialised regional economy that sustainably exploits its natural resources leveraging on science, technology and innovation. **RISDP 22:** Strengthened political cooperation, enhanced democracy, good governance, rule of law, human rights, and human security.	**AU 4: Transformed economies** **AU 11: Democratic values, practices, universal principles of human rights, justice and the rule of law entrenched**	**SDG 9:** Industry, Innovation and Infrastructure. **SDG 16**: Peace , Justice and Strong Institutions	**GT (g)** Substantially increase the availability of and access to multi-hazard early warning systems and disaster risk information and assessments to people	
5. Well Managed Natural Resources And Environmental Sustainability				
RISDP 20: Climate change resilience **RISDP24**: A responsive and proactive coordination mechanism to address the impact of climate change and natural disasters.	**AU 7: Environmentally sustainable and climate resilient economies and communities**	**SDG15** : Life on land **SDG 14**: Life in water **SDG 13**: Climate action	**P4.** Preparing for effective response. **P2.** Strengthening governance to manage disaster risk. **GT (d)** reduce disaster damage to critical infrastructure	▪ Integrated waste management, reduced pollution, healthier communities ▪ Disaster risk reduction to enhance resilience of urban dwellers ▪ Manage quality and quantity of water resources and biodiversity
6. Efficient Economic Infrastructure Network and Innovation for socio-economic development				
RISDP 9: Interconnected, integrated and quality seamless infrastructure and networks, including cross-border infrastructure. **RISDP 11:** Increased access to affordable infrastructure and services.	**AU 10: World class infrastructure Criss-crosses Africa**	**SDG 9**:Industry, Innovation and Infrastructure **SDG 6:** Clean Water and Sanitation **SDG 7**: Affordable and clean energy	**P3.** Investing in disaster risk reduction for resilience. **P4.** Preparing for effective response. **P5.** Recovery and reconstruction for resilient society **GT (d)** reduce disaster damage to critical infrastructure	▪ Climate proofing infrastructure ▪ Climate smart planning and enhancing urban capacities of urban dwellers

Table 20: Eswatini Government Capital Projects 2022/23 - 2027/28 ('000)

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
1. Good Governance, Economic Recovery & Fiscal Stability									
	34	Comprehensive National Asset Management System	-	43,000	-	-	-	43,000	YES
	34	Comprehensive Public Expenditure and Procurement Review	-	20,000	-	-	-	20,000	YES
	23	G509 Support to UNDP Country Programme	99	68,799	44,299	5,500	19,000	-	NO
	23	G422 Implementation of Development Strategies	99	95,595	50,549	10,000	35,046	-	NO
	23	G573 Payment of Recovery Orders	99	13,180	10,041	500	2,639	-	NO
	23	G635 Support to Taiwan Country Programme	70	5,550	-	5,550	-	-	NO
	23	G575 The Eswatini Agriculture Survey	99	113,031	75,676	28,048	9,307	-	NO
	23	G526 The Eswatini Economic Census	99	15,425	10,384	5,041	-	-	NO
	23	G599 Multiple Indicator Cluster Survey (MICS)	99	10,056	9,516	540	-	-	NO
	23	G601 Eswatini Household Income and Expenditure Surveys	99	36,282	22,643	12,429	1,210	-	NO
	23	G576 Intercensal Survey	99	21,664	9,769	9,769	2,126	-	NO
	34	G600 Installation of the Integrated Financial Management Information System in Eswatini (IFMIS)	52	18,500	18,500	-	-	-	NO
	34	G600 Installation of the Integrated Financial	99	100,354	90,354	-	10,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
		Management Information System in Eswatini (IFMIS)							
	23	G548 Construction of new Parliament Building	99	51,000	-	20,000	31,000	-	NO
	23	G548 Construction of new Parliament Building	63	1,600,000	-	16,000	1,584,000	-	NO
	53	G570 Separation of Meters in Government Houses	99	27,780	19,484	4,367	3,929	-	NO
2. Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth									
	29	M340 Construction of Sidvokodvo Industrial Estate	99	233,500	2,500	-	231,000	266,500	YES
	29	Support to MSMEs through a Private Sector Development Strategy	-	10,000	-	-	-	10,000	YES
	20	Upscaling the Agricultural Production Tunnels Project	-	280,000	-	-	-	280,000	YES
	53	Construction of Eswatini Rail Link Project	-	18,000,000	-	-	-	18,000,000	YES
	29	Quality Infrastructure Development	-	50,000	-	-	-	50,000	YES
	10	Lubhuku Coal Thermal Power Station	-	12,000,000	-	-	-	12,000,000	YES
	10	Development of an Iron and Steel Manufacturing Plant	-	5,000,000	-	-	-	5,000,000	YES
	20	Establishment of a Fruit and Vegetable Processing Plant	-	200,000	-	-	-	200,000	YES
	29	M346 Construction of Factory Shells	99	820,000	436,713	243,058	140,229	-	YES
	29	M346 Construction of Factory Shells	70	51,184	-	51,184	- 0	-	YES
	10	F026 Strategic Fuel Reserve Depot	63	3,200,000	-	-	3,200,000	-	YES

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	10	F026 Strategic Fuel Reserve Depot	86	64,897	64,897	-	-	-	YES
	20	Upscaling the Agricultural Production Tunnels Project	-	25,000	-	-	-	25,000	YES
	04	G636 New Game Park (BIG 5 merger)	99	41,339	-	20,000	21,339	-	NO
	04	R242 Designs of Africa Museum	99	2,000	-	-	2,000	-	NO
	04	R239 Rehabilitation of National Parks	99	50,000	20,720	1,900	27,380	-	NO
	04	M366 Reconstruction of Ngwenya Mine Interpretation Centre	70	4,500	-	4,500	-	-	NO
	10	F027 Cooperation in Energy and Mineral Resources Exploitation	70	71,150	9,242	-	61,908	-	NO
	10	F027 Cooperation in Energy and Mineral Resources Exploitation	99	23,070	-	23,070	-	-	NO
	20	A398 Construction of Aquaculture Research and Production Centre	70	24,630	-	24,630	-	-	NO
	29	M351 Market Access and Trade Facilitation	99	99,082	87,625	5,000	6,457	-	NO
	10	M364 Feasibility Study for Establishing an Iron and Steel Manufacturing Facility	99	50,000	-	-	50,000	-	NO
	29	M355 Rehabilitation and Construction of SEDCO Estates	99	35,360	26,396	-	8,964	-	NO
3. Enhanced Social and Human Capital Development									
	06	Establishment of Social Protection Fund Safeguard for Livelihoods of the Vulnerable	-	500,000	-	-	-	500,000	YES

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
		and At-Risk Communities (Part I)							
	06	Establishment of Social Protection Fund Safeguard for Livelihoods of the Vulnerable(Part II)	-	100,000	-	-	-	100,000	YES
	06	Establishment of Human Capital Development for Early Childhood Care and Development	-	500,000	-	-	-	500,000	YES
	23	H362 Construction of the National Referral Hospital	99	30,000	-	5,000	25,000	2,100,000	YES
	30	Infrastructure and Facilities for Delivery of Inclusive and Equitable Education	-	395,300	-	-	-	395,300	YES
	45	H311 Lubombo Regional Hospital phase I	99	245,132	245,132	-	-	425,868	YES
	45	H330 Rehabilitation of Mbabane Government Hospital	99	349,133	279,342	24,300	45,491	574,867	YES
	56	Construction, Rehabilitation and Expansion of Multi-Purpose Youth Centres	-	100,000	-	-	-	100,000	YES
	30	Skills Training Enhancement Project	-					-	YES
	45	H330 Rehabilitation of Mbabane Government Hospital	70	227,420	227,420	-	-	-	YES
	30	Revitalisation/Modernisation of the Basic Education System	-					-	YES
	30	Support to Early Learning Project	-					-	YES
	23	H362 Construction of the National Referral Hospital	10	-	-	-	210,000	-	YES

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	23	H362 Construction of the National Referral Hospital	94	-	-	-	150,000	-	YES
	23	H362 Construction of the National Referral Hospital	93	-	-	-	150,000	-	YES
	23	H362 Construction of the National Referral Hospital	91	-	-	-	50,000	-	YES
	03	G633 Equipment for Assistance to Human Trafficking Victims	70	7,650	-	7,650	-	-	NO
	06	S347 Complex for the physically challenged people at Mankayane	99	13,000	7,000	-	6,000	-	NO
	06	S349 Construction of a Retirement Home for Elderly persons at Mankayane	99	28,000	22,000	6,000	-	-	NO
	06	S349 Construction of a Retirement Home for Elderly persons at Mankayane	70	9,270	9,270	-	-	-	NO
	09	X466 Rehabilitation of Development Training Centres for Women (WID)	70	5,920	-	4,200	1,720	-	NO
	10	F030 Rural Electrification (Phase 26)	70	197,742	196,557	1,185	-	-	NO
	10	F030 Rural Electrification (Phase 26)	99	15,162	14,162	1,000	-	-	NO
	20	A393 Eswatini Smart Agriculture Education Talent Training Analysing and Project Planning	70	2,370	-	-	2,370	-	NO
	20	A405 Procurement of Tractor Drawn farm Implements	70	4,200	-	4,200	-	-	NO
	20	A395 Eswatini Livestock Value Chain Development Project (ELVCDP)	52	146,400	31,114	31,114	84,172	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	20	A378 High Value Crops	52	396,726	71,102	-	325,624	-	NO
	20	A380 Small Holder Market-led Production Project	11	141,478	90,850	36,834	13,794	-	NO
	20	A380 Small Holder Market-led Production Project	61	152,100	114,194	22,540	15,366	-	NO
	20	A380 Small Holder Market-led Production Project	99	143,438	120,963	10,000	12,475	-	NO
	20	A380 Small Holder Market-led Production Project	62	1,821	-	1,229	592	-	NO
	23	G609 Microprojects - Infrastructure Development VI	70	88,997	42,497	46,500	-	-	NO
	23	G609 Microprojects - Infrastructure Development VI	99	1,193,986	1,016,993	176,993	-	-	NO
	29	M354 Rehabilitation of National Handicraft Training Centre and Co-operative Development and Education Centre (NHC and CODEC)	70	13,200	13,200	-	-	-	NO
	29	M357 Enhancing Junior Achievement Eswatini Capacity Phase II	70	10,632	9,282	1,350	-	-	NO
	29	M365 Youth Co-operatives Capacity Building	70	797	-	797	-	-	NO
	30	E460 Schools Infrastructure Enhancement Project	70	4,574	4,574	-	-	-	NO
	30	E460 Schools Infrastructure Enhancement Project	99	317,718	292,975	12,500	12,243	-	NO
	30	E461 Purchase of equipment, tools and furniture for schools throughout the country.	70	7,885	-	-	-	-	NO
	30	E461 Purchase of equipment, tools and furniture for schools throughout the country.	99	59,692	51,892	7,800	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	30	E437 Construction of Storage Facilities and Rehabilitation of Regional Offices in the Four Regions of the Country	99	45,000	33,000	-	12,000	-	NO
	30	E449 Rehabilitation of Sebenta Institute	99	46,000	41,000	5,000	-	-	NO
	30	E450 Extension of Eswatini Skills Centre at Piggs Peak	99	40,600	32,600	3,000	5,000	-	NO
	30	E465 Purchase of computers and accessories	70	6,750	-	6,750	-	-	NO
	30	E462 Tertiary Infrastructure and Equipment Enhancement Project	99	101,088	77,088	12,000	12,000	-	NO
	30	E456 Construction of Inclusive Secondary Schools	82	50,000	50,000	-	-	-	NO
	30	E456 Construction of Inclusive Secondary Schools	99	14,000	9,000	-	5,000	-	NO
	34	G622 Financial Inclusion Cluster Development (FINCLUDE)	61	232,468	26,260	68,736	137,472	-	NO
	34	G622 Financial Inclusion Cluster Development (FINCLUDE)	99	52,800	19,800	9,000	24,000	-	NO
	43	E381 Rehabilitation of Eswatini National Libraries	99	24,249	12,249	-	12,000	-	NO
	43	E464 Reconstruction of Eswatini National Library at Nhlangano	99	19,000	-	5,000	14,000	-	NO
	45	H337 Provision of Equipment to Hospitals, Clinics and Health Centres	99	107,322	82,322	5,000	20,000	-	NO
	45	H337 Provision of Equipment to Hospitals, Clinics and Health Centres	70	47,800	47,800	-	-	-	NO
	45	H338 Institutional Housing for Newly built Health Facilities	99	44,366	32,366	6,000	6,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	45	H341 Provision of Security at Health Facilities	99	22,566	16,566	2,000	4,000	-	NO
	45	H345 Provision of Water in Health Facilities	99	35,431	33,431	1,500	500	-	NO
	45	H346 Rehabilitation of Primary Health Care Facilities	70	79,000	25,000	54,000	-	-	NO
	45	H346 Rehabilitation of Primary Health Care Facilities	99	103,528	88,528	15,000	-	-	NO
	45	H342 National Ambulance Service	99	18,156	14,156	4,000	-	-	NO
	45	H368 Health Systems Strengthening	67	360,000	130,000	80,000	150,000	-	NO
	45	H369 Support towards curbing the spread of Covid-19	70	4,380	4,380	-	-	-	NO
	45	H369 Support towards curbing the spread of Covid-19	67	165,000	65,625	30,000	69,375	-	NO
	45	H369 Support towards curbing the spread of Covid-19	68	102,000	87,000	15,000	-	-	NO
	45	H339 Water and Sanitation Project II	99	48,028	44,471	1,500	2,057	-	NO
	45	H308 Construction and Re-purposing the TB Hospital	70	10,399	10,399	10,500	-	-	NO
	45	H308 Construction and Re-purposing the TB Hospital	99	268,604	118,916	15,000	134,688	-	NO
	45	H365 Strengthening Cancer Diagnosis and Treatment in Eswatini	70	22,755	16,755	6,000	-	-	NO
	53	T363 Rehabilitation and Maintenance of the Feeder Roads Network and Rehabilitation of Armcos and Culverts	99	424,736	304,736	100,000	20,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	40	E457 Renovation of Nhlangano, Mbabane and Malkerns VTRS Centres	99	17,900	5,000	4,000	8,900	-	NO
	29	M354 Rehabilitation of National Handicraft Training Centre and Co-operative Development and Education Centre (NHC and CODEC)	99	43,126	31,511	6,000	5,615	-	NO
	40	E457 Renovation of Nhlangano, Mbabane and Malkerns VTRS Centres	70	1,403	-	1,403	-	-	NO
	10	W465 Ezulwini water supply and sewer	55	349,745	339,745	10,000	-	-	NO
	10	W465 Ezulwini water supply and sewer	99	120,450	115,250	5,200	-	-	NO
	10	W377 Manzini Region Water and Sanitation	99	137,000	97,000	20,000	20,000	-	NO
	10	W377 Manzini Region Water and Sanitation	55	720,000	305,783	170,000	244,217	-	NO
	10	W378 Eswatini water supply and sanitation project (Hosea, Zombodze, Shiselweni 1 - Tinkhundla)	99	101,250	65,500	10,000	25,750	-	NO
	10	W378 Eswatini water supply and sanitation project (Hosea, Zombodze, Shiselweni 1 - Tinkhundla)	67	675,000	362,000	9,803	303,197	-	NO
	10	X501 Rural Water Supply XIII	99	223,124	173,124	5,000	45,000	-	NO
	10	W379 Procurement of a drilling rig	99	20,000	-	20,000	-	-	NO
	30	E343 Water Supply to Schools VII	70	8,036	8,036	-	-	-	NO
	30	E343 Water Supply to Schools VII	99	55,645	53,945	1,700	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	20	A401 Construction of scoop dams	70	14,190	2,190	12,000	-	-	NO
	10	Lomahasha Potable Water Supply Project	-	238,500	-	-	-	238,500	YES
	20	W376 Water Harvesting, Small and Medium Dams	52	265,200	115,200	150,000	-	-	YES
	10	F031 Shiselweni Network Re-inforcement and Access Project	67	675,000	209,712	150,000	315,288	-	NO
	10	F029 Electricity Distribution Network Improvement	70	3,546	-	-	3,546	-	NO
	56	R230 Construction of Recreational Facilities in the Four Regions	99	13,000	10,705	2,295	-	-	NO
4. Efficient Public Service Delivery That Respects Human Rights, Justice and the Rule of Law									
	41	Management Audit: Comprehensive Public Service Reform	-	2,500	-	-	-	2,500	YES
	41	Performance Management Systems (PMS)	-	3,100	-	-	-	3,100	YES
	46	Legal Aid System	-	7,000	-	-	-	7,000	YES
	46	G632 Electronic Case Management System	99	41,164	10,000	10,000	21,164	-	YES
	05	P302 Equipment for State Security and Police Service	99	177,029	136,633	15,000	25,396	-	NO
	05	P336 Construction of Buhleni Police Station	99	191,998	171,998	20,000	0	-	NO
	05	P348 Rehabilitation and Security Fencing of Police Buildings and Construction of Parade Police Grand Stands	99	75,000	52,153	14,000	8,847	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	05	P447 Construction of Institutional Housing for Police Phase I	99	80,000	-	10,000	70,000	-	NO
	07	G614 Procurement of Office Equipment Phase II	70	13,372	9,622	3,750	-	-	NO
	07	G624 Procurement of Diplomats' residences in missions abroad	99	52,000	24,450	10,000	17,550	-	NO
	08	P337 Construction of Semi-permanent Structures in the Frontiers	99	292,000	-	-	292,000	-	NO
	08	P286 Replacement of Army Barracks	99	806,630	676,630	40,000	90,000	-	NO
	20	X505 Resettlement at Lozitha	99	47,836	35,836	12,000	-	-	NO
	20	G620 Resettlement at Lobamba (Manzana)	99	22,000	12,000	10,000	-	-	NO
	51	G082 Rehabilitation, Maintenance and Construction of State Houses	99	2,393,115	2,233,115	160,000	-	-	NO
	09	X465 Rehabilitation of Tinkhundla centres	99	53,000	34,479	3,000	15,521	-	NO
	09	X465 Rehabilitation of Tinkhundla centres	70	37,648	-	37,648	-	-	NO
	20	A392 Capacity building for Veterinary Services Laboratory	02	3,000	-	-	3,000	-	NO
	20	A392 Capacity Building for Veterinary Services Laboratory	99	1,000	-	-	1,000	-	NO
	20	A400 Cordon Fencing	99	20,000	-	5,000	15,000	-	NO
	23	G634 Rehabilitation of MEPD Conference Room and Equipment	70	2,958	-	2,958	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	24	X202 Urban Development Project	99	547,296	402,441	10,000	134,855	-	NO
	26	P347 Satellite Fire Stations	70	1,920	1,569	-	351	-	NO
	26	P347 Satellite Fire Stations	99	30,000	24,382	3,500	2,118	-	NO
	26	P444 Procurement of Hydraulic Lift	70	8,813	8,739	-	74	-	NO
	26	P305 Rehabilitation of Fire Service Department	99	79,938	35,938	-	44,000	-	NO
	26	P306 Replacement of Fire fighting Equipment and Specialised Vehicles	99	118,491	96,027	10,000	12,464	-	NO
	26	P306 Replacement of Fire fighting Equipment and Specialised Vehicles	70	118,491	-	15,500	102,991	-	NO
	43	G617 Rehabilitation of ETVA	99	57,000	20,555	3,000	33,445	-	NO
	43	T524 Installation of an Automated Biometric Identification System	99	80,000	-	30,000	50,000	-	NO
	43	G557 Development of a Document Management System	70	7,500	7,184	-	316	-	NO
	43	G557 Development of a Document Management System	99	22,565	12,810	-	9,755	-	NO
	43	G638 Electronic Document Archiving System Development	70	5,369	-	5,369	-	-	NO
	48	G637 Design and construction of courts through PPP	99	3,000	-	2,000	1,000	-	NO
	49	P312 Improvements of Prison Facilities	99	79,761	59,359	3,000	17,402	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	49	P315 Rehabilitation of Prisons	99	262,223	182,223	40,000	40,000	-	NO
	49	P313 Radio Communication System and Remote Remand II	70	17,250	17,250	-	-	-	NO
	49	P313 Radio Communication System and Remote Remand II	99	52,347	16,358	1,000	34,989	-	NO
	49	P338 Irrigation Infrastructure for Correctional Farms	99	45,080	22,571	3,000	19,509	-	NO
	49	P441 Digging of Boreholes	99	15,000	3,590	2,000	9,410	-	NO
	49	P445 Procurement of Park Homes	99	9,000	1,200	-	7,800	-	NO
	50	G630 Modernisation of Civil Registration and Immigration Systems	99	263,000	5,000	60,000	198,000	-	NO
	53	G533 Wiring of Government Buildings V	99	48,954	27,036	-	21,918	-	NO
	53	G500 Rehabilitation of Government Buildings VI	99	711,555	696,555	15,000	-	-	NO
	53	T354 Construction and Equipping of Vehicle Testing and Learner Driver Testing Centres	99	39,701	17,839	-	21,862	-	NO
	56	R224 Upgrading of Somhlolo National Stadium Phase II	99	109,771	94,771	15,000	-	-	NO
	24	X510 Development of Buhleni Local Authority	99	15,600	5,000	10,000	600	-	NO
	24	X469 Servicing of Government Land	99	58,962	43,997	-	14,965	-	NO
	24	X493 Government Land Purchase Programme	99	51,000	14,170	-	36,830	-	NO
	43	G626 Building-up the ICT Masterplan	70	7,558	3,058	4,500	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	43	G629 Cyber Security	70	6,072	-	6,072	-	-	NO
	58	G623 System Development and Capacity Building	99	10,000	3,000	1,000	6,000	-	NO
	58	G638 Electronic Document Archiving System Development	70	2,250	-	2,250	-	-	NO
5. Well Managed Natural Resources, Environmental Sustainability and Disaster Risk Management									
	04	Development of Community-Based Eco-Tourism Projects	-	5,000	-	-	-	5,000	YES
	04	Control of Invasive Alien Plant Species (IAPS)	-	50,000	-	-	-	50,000	YES
	04	A403 Enhancing National Forest Monitoring System	70	232	-	232	-	-	NO
	04	W361 Augmentation of Met. Observation Stations and Installation of Thunderstorm Detection Equipment	99	30,605	12,105	18,500	-	-	NO
	10	X461 Replacement of water testing equipment and Rehabilitation of DWA Laboratory	99	10,759	8,659	2,100	-	-	NO
	10	X509 Sustainable Land Administration and Management	52	1,903	1,903	-	-	-	NO
	10	X509 Sustainable Land Administration and Management	99	10,892	7,892	2,000	1,000	-	NO
	10	F032 Feasibility study for combined cycle power plant	70	32,115	-	32,115	-	-	NO
	24	X511 National Physical Development Planning	99	53,000	-	-	53,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	30	E397 Emergency Response and Rehabilitation of Storm Damaged Government Schools and Public Institutions Phase I	99	187,509	167,509	20,000	-	-	NO
6. Efficient Economic Infrastructure Network and Innovation									
	43	Modernisation and Upgrade of Broadband Infrastructure	-	865,500	-	-	-	865,500	YES
	43	Backbone Terrestrial and Satellite Transmission Network Infrastructure	-	502,500	-	-	-	502,500	YES
	43	Improvement of the Government Information and Technology (IT) Network Infrastructure	-	20,400	-	-	-	20,400	YES
	53	Rehabilitation of the Motshane - Pigg's Peak - Matsamo (MR1) Road	-	1,930,000	-	-	-	1,930,000	YES
	53	Rehabilitation of the Mhlambanyatsi - Lundzi (D81) Road	-	630,000	-	-	-	630,000	YES
	53	Rehabilitation of the Mbabane - Matsapha (MR3) Road	-	450,000	-	-	-	450,000	YES
	53	Rehabilitation of the Mafutseni - Mliba (MR5) Road	-	495,000	-	-	-	495,000	YES
	53	Rehabilitation of the Mhlaleni - Salem (MR9) Road	-	900,000	-	-	-	900,000	YES
	53	Nsoko - Maloma - Nsalitje	-	1,600,000	-	-	-	1,600,000	YES
	53	Rehabilitation of the Mantabeni - Bhunya - Sandlane (MR19) Road	-	1,140,000	-	-	-	1,140,000	YES

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	10	Nondvo Dam Project	-	1,200,000	-	-	-	1,200,000	YES
	10	Luphohlo Water Supply	-	120,000	-	-	-	120,000	YES
	53	Upgrading of the Sithobelweni - Hlathikhulu (MR25) Road	-	670,000	-	-	-	670,000	YES
	10	10 MW Solar Photovoltaic Power Station	-	220,000	-	-	-	220,000	YES
	10	13.6 MW Lower Maguduza Hydropower Project	-	746,000	-	-	-	746,000	YES
	20	Mkhondvo-Ngwavuma Water Augmentation Project	-	7,500,000	-	-	-	7,500,000	YES
	10	W370 Feasibility Study-Mkhondvo and Nondvo Dams	55	82,500	82,500	-	-	-	NO
	10	W370 Feasibility Study-Mkhondvo and Nondvo Dams	99	45,540	36,590	4,500	4,450	-	NO
	10	F028 Feasibility Studies for Thermal Power Generation	70	74,230	-	-	74,230	-	NO
	20	A381 Lower Usuthu II Extension- Downstream Development	55	976,043	674,509	146,514	155,020	-	NO
	20	A381 Lower Usuthu II Extension- Downstream Development	63	936,518	389,558	360,170	186,790	-	NO
	20	A381 Lower Usuthu II Extension- Downstream Development	99	1,171,577	956,887	80,000	134,690	-	NO
	23	G467 Millennium (Sikhuphe) Project	99	4,487,139	4,314,947	172,192	-	-	NO
	23	G585 Construction of an International Convention centre (ICC)	63	1,953,462	860,462	-	1,093,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	23	G585 Construction of an International Convention centre (ICC)	99	2,832,397	1,740,687	406,930	684,780	-	NO
	23	G616 Construction of Five Star Hotel (FISH)	63	1,277,997	1,003,529	-	274,468	-	NO
	23	G616 Construction of Five Star Hotel (FISH)	99	1,302,089	735,908	100,000	466,181	-	NO
	24	X480 Inter-governmental Capital Development Fund	99	499,500	419,500	20,000	60,000	-	NO
	43	M331 Construction of Biotechnology Park at Nokwane.	70	150,620	116,120	-	34,500	-	NO
	43	M331 Construction of Biotechnology Park at Nokwane.	99	643,015	463,568	30,000	149,447	-	NO
	43	M342 Construction of Information Technology (IT) Park at Phocweni.	70	13,317	11,400	-	1,917	-	NO
	43	M342 Construction of Information Technology (IT) Park at Phocweni.	63	180,249	180,249	-	-	-	NO
	43	M342 Construction of Information Technology (IT) Park at Phocweni.	99	636,948	384,848	18,600	233,500	-	NO
	43	G627 Construction of a Disaster Recovery Site	63	200,000	50,000	50,000	100,000	-	NO
	43	G627 Construction of a Disaster Recovery Site	99	150,000	10,000	8,000	132,000	-	NO
	43	G627 Construction of a Disaster Recovery Site	70	21,557	20,351	1,206	-	-	NO
	53	T505 Preliminary Designs for Lothair-Matsapha Railway Line	99	1,551,000	428,000	-	1,123,000	-	NO
	53	T523 Expansion of Matsapha Inland-Dry Port	70	22,000	14,535	4,819	2,646	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	53	T512 Chemical Soil Stabilizers Programme (Probase)	95	1,600,000	1,600,000	-	-	-	NO
	53	T512 Chemical Soil Stabilizers Programme (Probase)	99	41,975	23,400	18,575	-	-	NO
	53	T513 Resealing of Mbabane - Manzini Road	99	123,617	103,617	-	20,000	-	NO
	53	T500 Design Review, Supervision and Construction of Nhlangano- Sicunusa Road	10	195,280	195,280	-	-	-	NO
	53	T500 Design Review, Supervision and Construction of Nhlangano- Sicunusa Road	93	97,402	97,402	-	-	-	NO
	53	T500 Design Review, Supervision and Construction of Nhlangano- Sicunusa Road	99	912,984	352,984	16,000	544,000	-	NO
	53	T500 Design Review, Supervision and Construction of Nhlangano- Sicunusa Road	95	647,000	-	282,837	586,417	-	NO
	53	T515 Manzini-Mphandze (MR3 Lot1)	55	693,540	595,651	40,000	57,889	-	NO
	53	T515 Manzini-Mphandze (MR3 Lot1)	99	745,666	483,212	241,195	21,259	-	NO
	53	T497 Mphandze-Mbhadlane (MR3 Lot 2)	63	305,600	305,600	-	-	-	NO
	53	T497 Mphandze-Mbhadlane (MR3 Lot 2)	99	1,125,775	960,775	165,000	-	-	NO
	53	T506 Construction of Bulembu-Pigg's Peak-Magoga Road (MR20 and MR2)	95	900,000	40,000	-	860,000	-	NO
	53	T506 Construction of Bulembu-Pigg's Peak-Magoga Road (MR20 and MR2)	99	47,985	28,033	-	19,952	-	NO
	53	T507 Construction of Lukhula-Big Bend Road (MR16)	95	545,266	545,266	-	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUND ER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	53	T507 Construction of Lukhula-Big Bend Road (MR16)	99	55,813	21,603	34,210	-	-	NO
	53	T518 Feasibility study for Motshane - Matsamo road MR1	99	26,500	-	-	26,500	-	NO
	53	T518 Feasibility study for Motshane - Matsamo road MR1	93	3,375	3,375	-	-	-	NO
	53	T520 Construction of Hangar and Workshop at KMIII airport	99	230,000	-	30,000	200,000	-	NO
	53	T521 Manzini Golf-Course Interchange	55	213,143	78,251	125,816	9,076	-	NO
	53	T521 Manzini Golf-Course Interchange	99	147,941	64,503	79,277	4,161	-	NO
	20	A397 Mkhondvo-Ngwavuma Detailed Feasibility Studies	56	35,768	10,887	-	24,881	-	NO
	20	A397 Mkhondvo-Ngwavuma Detailed Feasibility Studies	99	104,113	78,113	26,000	-	-	NO
	20	A404 Construction of Mpakeni Dam	55	2,200,000	-	80,000	2,120,000	-	NO
	20	A404 Construction of Mpakeni Dam	99	427,952	-	20,000	407,952	-	NO
	20	A372 Water and Irrigation Infrastructure Development	99	134,166	94,166	20,000	20,000	-	NO
	53	T525 Emergency maintenance programme for roads	99	750,000	-	150,000	600,000	-	NO
TOTALS				**112,198,603**	**31,181,848**	**5,327,000**	**20,018,824**	**59,823,035**	

Table 21: Government Structure

HEAD	Ministry	Mandate	Departments	Responsibilities
04	Tourism and Environmental Affairs	▪ Promote and support the tourism industry, wildlife conservation within the environmental framework that enhances amenities; ▪ Conserve culture; ▪ Sustain forest management; ▪ meteorology; and ▪ Addresses climate change challenges to contribute towards sustainable socio-economic development.	▪ Tourism Department; ▪ Gaming and Wildlife Department; ▪ Department of Forestry; ▪ Department of Meteorology; ▪ Department of Tourism.	▪ Tourism development; ▪ Promotion and regulation; ▪ Flora and fauna conservation; ▪ Wildlife conservation; ▪ Forestry management; ▪ Environmental management; ▪ Meteorology services; and ▪ Climate change issues.
06	Deputy Prime Minister's Office	▪ Set up and oversee a national policy and institutional environment that support effective service delivery; ▪ Gender mainstreaming; ▪ Children issues; and ▪ Pro-active disaster preparedness within the development discourse.	▪ Department of Gender and Family Issues; ▪ National Disaster Management Department; ▪ Department of Social Welfare; ▪ National Children Services Department.	▪ Disaster Management; ▪ Social Welfare; ▪ Gender and Family Issues; and ▪ Coordinating Children's Policies.
07	Foreign Affairs and International Cooperation	▪ Provide a professional diplomatic service; ▪ Projecting a positive image of the country on political and socio-economic issues; ▪ Promote and effectively represent Eswatini Internationally.	▪ Political Department; ▪ International Cooperation; ▪ Protocol Department; ▪ Missions Abroad.	▪ International relations and cooperation; ▪ International and regional organisations – protocol; ▪ Management of Eswatini Diplomatic Missions Abroad; ▪ International Treaties and conventions; ▪ Foreign Policy.
08	Defense	▪ Defend and protect the sovereignty of the Nation; ▪ Provide strategic direction and administration to the UEDF.	▪ Textile Department; ▪ Agricultural Project Department; ▪ Training and Operations Department; ▪ Medical Department; ▪ Air-wing Department; ▪ Logistics Department.	▪ Advise Minister on National Defense and Security Issues; ▪ Provide national security; ▪ Conflict prevention and management

HEAD	Ministry	Mandate	Departments	Responsibilities
09	Tinkhundla Administration and Development	▪ Commitment to promote the Tinkhundla based system of governance through participatory approaches and effective coordination of development and services to the citizens.	▪ Regional Administration; ▪ Community Development; ▪ Decentralisation Department; ▪ Regional Development Planning and Coordination.	▪ Regional - Tinkhundla administration; ▪ Regional Development Planning and coordination; ▪ Decentralisation; ▪ Community Development; ▪ Regional Development Fund Management; ▪ Poverty Reduction Fund management; ▪ Empowerment Fund management.
10	Natural Resources and Energy	▪ Ensure sustainable use and management of natural resources; ▪ Providing adequate services in water, minerals, energy; ▪ Surveying, mapping, conveyancing, registration of real rights in land; and ▪ Valuation in a transparent manner for the socio-economic benefit.	▪ Land Affairs Department; ▪ Deeds registry; ▪ Property Valuation; ▪ Surveyor General; ▪ Water Affairs Department; ▪ Energy Department; ▪ Geological Survey; ▪ Minerals and Mines Department.	▪ Administration – Land Affairs, ▪ Deeds Registry, ▪ Conveyancing, Water Affairs, ▪ Energy, ▪ Surveyor General, ▪ Geological Survey, ▪ Minerals and Mines and ▪ Property Valuation.
20	Agriculture	▪ Ensure efficient and sustainable agricultural sector for ensuring food and nutrition security; and ▪ Ensuring sustainable growth of Agriculture and National economy.	▪ Agricultural Planning and Analysis; ▪ Veterinary and Livestock Services; ▪ Agriculture and Extension; ▪ Land Use Planning and Development; ▪ Department of Agricultural Research and Specialist Services.	▪ Administration - Agricultural Policy Formulation; ▪ Planning and implementation of programmes; ▪ Establish Strategies and Guidelines, Policy Implantation, Monitoring, Analyses and Evaluation of National Agriculture Sector Policy; ▪ Effect Policies on Acquisition, Distribution and Utilisation of Land Resources for Agricultural Purposes; ▪ Develop the Necessary Technologies through Applied and Adaptive Research Required for the Efficient Production of Crops and Livestock; and ▪ Develop and Implement Policy For Sustainable Production and Utilisation of Fisheries.

HEAD	Ministry	Mandate	Departments	Responsibilities
23	Economic Planning and Developmen t	▪ Co-ordinate and promote effective planning, resources mobilisation and utilisation; ▪ Promote sound macro-economic management; ▪ Provide and promote usage of quality data; and ▪ Create a policy environment that will enable sustainable economic growth and cost effective service delivery.	▪ Economic Planning Office; Macro-Economic Analysis and Research Division, Sectoral Division, Aid Coordination and Management Poverty Reduction, Population Directorate, SADC Unit ▪ Central Statistics Office; ▪ Millennium Projects Unit; ▪ Micro Projects Coordination Unit.	▪ National Development Planning; ▪ National Development Strategy Coordination; ▪ Integrated Development Planning; ▪ Co-ordination and Mainstreaming of poverty eradication; ▪ National Population Issues; ▪ National Statistics; ▪ External Assistance Management; ▪ Millennium Projects/National Strategic Projects; ▪ National Coordination of SADC Affairs; ▪ Micro-Projects.
24	Housing and Urban Developmen t	▪ Provide a sustainable local governance framework; ▪ Provide a well-planned and integrated human settlement through implementation of relevant constitutional provisions and development policies.	▪ Department of Housing and Human Settlements; ▪ Department of Urban Government; ▪ Eswatini National Fire and Emergency Services.	▪ Promote Good Governance; ▪ Crown Land Allocation Policy development; ▪ Guarantee Safety of Citizens through Emergency Rescue; ▪ Sustainable Land Use and Development; ▪ Enforce Standards for National Housing Infrastructure; ▪ Create an Efficient Land Market; and ▪ Provide Institutional Housing and Maintenance.

HEAD	Ministry	Mandate	Departments	Responsibilities
29	Commerce Industry and Trade	▪ Provide an enabling environment and support for development and growth of businesses and industry for the attainment of economic development.	▪ Commerce Department; ▪ Industry Department; ▪ International trade Department; ▪ Handcraft Department; ▪ Weights and Measurements Department; ▪ Small Micro and medium Enterprise Unit; ▪ Cooperatives Department; ▪ Registrar of Companies Department; ▪ Intellectual Property Department; ▪ Investor Road Map Unit.	▪ Registration of Companies; ▪ Investment Promotion and Industrial Development; ▪ SMMEs and Cooperative Development; ▪ International Trade Negotiations and Handicraft Promotion, Regulatory and Quality Infrastructure Promotion; and ▪ Protection of Intellectual Property Rights.
30	Education and Training	▪ Provide relevant, quality and affordable education and training opportunities in order to develop all positive aspects of life for self-reliance, social and economic development and global competitiveness.	▪ Directorate of Education and Training; ▪ Inspectorate and Advisory Services; ▪ Department of National Qualifications; ▪ Adult and Non-formal Education Inspectorate; ▪ Rural Education Centres; ▪ Free Primary Education Unit; ▪ Regional Education Offices; ▪ Guidance and counseling Services; ▪ Teaching Service Commission; ▪ National Curriculum Centre; ▪ Eswatini National Commission of UNESCO ▪ Education Management Information System.	▪ Early Childhood Care and Development; ▪ Primary, Junior and Senior Secondary Education; ▪ Technical and Vocational Educational Training; ▪ University Education; ▪ Teacher Training; ▪ Special, Adult and Non-Formal, Open and Distance, In-service Education; ▪ Inspectorate and Advisory Services; and ▪ Quality Assurance and Accreditation.

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34	Finance	▪ Promote Macroeconomic stability by formulating and implementing fiscal and financial policies that optimise economic growth and improve the welfare of its citizens	▪ Corporate Service; ▪ Budget and Economic Affairs Department; ▪ Fiscal and Monetary Affairs; ▪ Public Enterprise Unit; ▪ Public Debt Management; ▪ Supply Chain Management; ▪ Policy and Planning; ▪ Legal Section; ▪ Treasury and Stores Department; ▪ Internal Audit Department.	▪ Provide Financial Regulatory Framework; ▪ Maintain Fiscal Disciple; ▪ Improve the Social Well-Being of the Nation; ▪ Present Budget to Parliament; ▪ Provide a Sound Management Strategy; ▪ Collect Revenue and Manage Expenditure Efficiently; ▪ Create an Environment to Promote Private Sector Development; and ▪ Supervise and Monitor the Nation's Public Enterprise Portfolio.
40	Labour and Social Security	▪ Create, maintain and improve an environment for labour protection; ▪ Employment facilitation, social protection and social dialogue promotion to foster economic growth and social justice.	▪ Department of Labour; ▪ National Human Resource Planning and Development Department; ▪ Directorate of Industrial Vocational Training; ▪ Measurement and Testing Unit; ▪ Department of Social Security.	▪ Labour Administration and Industrial Relations, Conciliation, Mediation and Arbitration; Labour Inspections, Workmen's Compensation, Occupational Safety and Health, Factory and Machine Inspections; ▪ Social Dialogue, Registration and Monitoring of Labour Market organisations; ▪ Development and Review of Labour Legislation; ▪ Apprenticeship Oversight; ▪ Vocational Training and Rehabilitation Services, Training and Localization, Social Security, Measurement and Testing; ▪ Wages Regulation; ▪ National Employment Services and Statistics; ▪ National Human Resource Planning and Development; ▪ Child Labour, Labour Migration Regulations; ▪ Pre-service Tertiary Education and Training (Scholarship).
41	Public Service	▪ Ensure a qualitative, responsive, meritorious, and of the right size Public	▪ Management Services Department; ▪ Civil Service Commission; ▪ Human Resource and Administration;	▪ General Public Service Management; ▪ Performance Improvement;

		Service to support national development challenges.	▪ Human Resource Development.	▪ Development and Utilisation of Human Resources; ▪ Performance Improvement; ▪ Development and Utilisation of Human Resources; ▪ Promote Ethics and Accountability; and ▪ Determine and Maintain the Right Size and Cost of the Public Service.
43	Information Communication and Technology	▪ Provide a conducive policy environment accessible ICT infrastructure and quality services in order to eradicate information poverty by strengthening of the sector and following best practices and good values in ICT.	▪ Department of Research, Science, Technology and Innovation; ▪ Information and Media Development; ▪ Department of Communications; ▪ Government Computer Services; ▪ Eswatini National Library Services; ▪ Eswatini Broadcasting and Information Services; ▪ Eswatini National Archives.	▪ Information and National Library Services; ▪ National Archives and Records Services; ▪ Broadcasting and Communication Services; ▪ Government Computer Services; ▪ Research, Science, Technology and Innovation Services; and ▪ Communication Regulatory Services.
45	Health	▪ Improve access to quality and diverse health services.	▪ Clinical Services; ▪ Preventative health Services; ▪ Medical Support Services.	▪ Promote Health; ▪ Improve Access to Essential, Affordable and Quality Clinical Services and Public Health; ▪ Improve Prevention and Control of Communicable and Non-Communicable Diseases; ▪ Collaborate with Key Sectors to Influence Health Actions; ▪ Strengthen Health Systems Capacity and Performance; ▪ Improve Management of Medical Related Conditions; and ▪ Improve and Strengthen Health Service Delivery.

46	Justice and Constitutional Affairs	▪ Promote and facilitate effective and efficient machinery capable of providing a legal framework for good governance and delivering legal advice and services to the Government, its allied institutions and the general public.	▪ The Attorney General's Office; ▪ Director of public Prosecutions; ▪ Elections and Boundaries Commission; ▪ Commission on Human Rights and Public Administration; ▪ Anti-corruption Commission; ▪ Judiciary; and ▪ His Majesty Correctional Services.	▪ Constitutional Affairs; ▪ Civil Litigation; ▪ Legal Opinions and Agreements; ▪ Legislative Drafting; ▪ Public Prosecutions, Judiciary and Correctional Services; ▪ Elections and Demarcations of Boundaries; ▪ Protection of Human Rights; ▪ Administration of Swazi Courts and Estates; and ▪ Providing Legal Advice to the Executive and Legislative.
50	Home Affairs	▪ Operate a complete modernised and streamlined Immigration and Civil Registration and Vital Statistics system; ▪ Coordinate successful national events and celebrations; ▪ Offering durable solutions in administration and protection of asylum seekers and refugees.	▪ Civil Registration and Vital Statistics; ▪ Immigration Department; ▪ Refugees Department.	▪ Civil Registration and Vital Statistics; ▪ Identity Document enrolment; ▪ Immigration, Citizenship and Neutralisation, Refugees, Public Holidays, Non-governmental, Charity Organisations and Religious Issues; and ▪ National Events and Celebrations Support.
53	Public Works and Transport	▪ Contribute to the sustainable economic development and attainment of the national vision through the provision and maintenance of quality, environmentally friendly, accessible public infrastructure ▪ Promote a safe, efficient and effective transportation system.	▪ Roads Department; ▪ Road Transport Department; ▪ Buildings Department; ▪ CTA	▪ Plan, Construct and Maintain the Country's Road Network and Government Buildings; ▪ Provide and Maintain Facilities for Ensuring Availability of Adequate Transport for all Government Ministries and Departments; ▪ Administer the Road Transportation Act and Road Traffic Acts; and ▪ Regulate the Transportation Industry Through a Permit System.
56	Sports, Arts and Youth Affairs	▪ Promote the development of sports, arts and culture and youth through popular participation and creating an enabling environment for coordinated and structured framework to address socio-economic challenges	▪ Department of Sports; ▪ Department of Arts and Culture; ▪ Department of Youth Affairs.	▪ Promote Healthy and Fulfilling Lifestyle (Sports, Recreation, Arts And Culture); ▪ Foster Professionalism of Sports and Recreation; ▪ Arts and Culture and Youth Work; ▪ Preserve and Promote Culture; ▪ Foster Effective Youth Empowerment Programmes at Grassroots Level.

DRAFTING TEAM

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