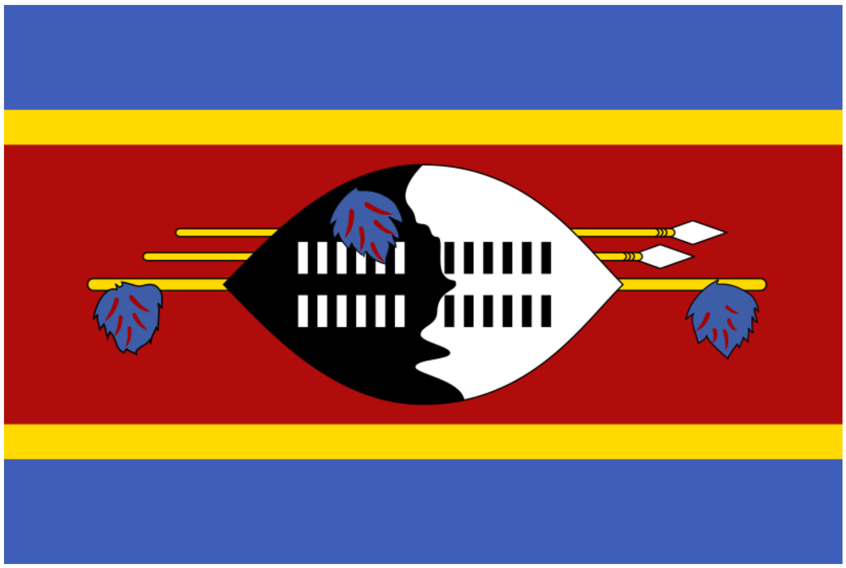
NATIONAL DEVELOPMENT PLAN 2023/24 – 2027/28

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

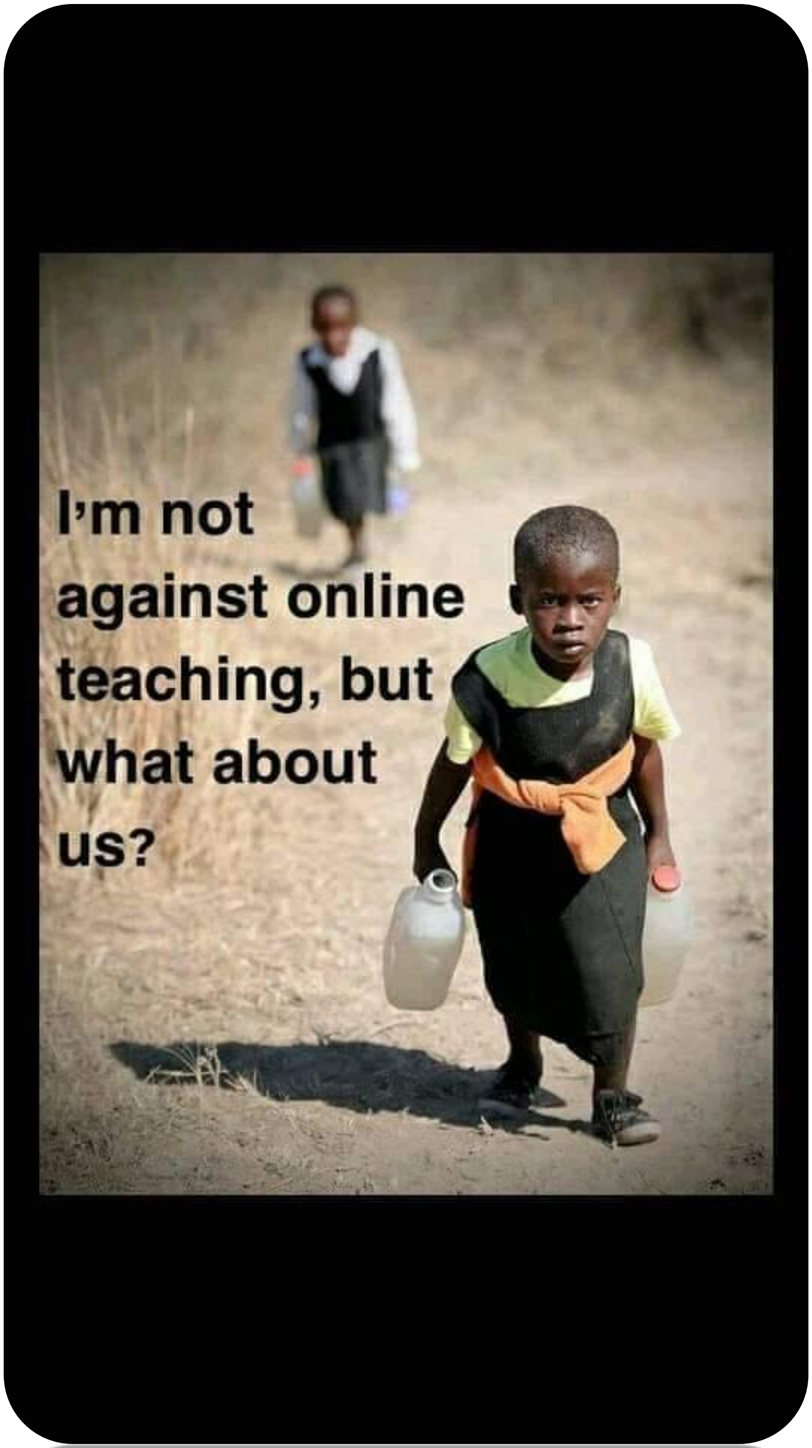
Ministry of Economic Planning and Development Eswatini

NATIONAL DEVELOPMENT PLAN 2023/24 – 2027/28



THEME:

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


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

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LIST OF ABBREVIATIONS

ACCF	Africa Climate Change Fund
ACMS	Aid Coordination and Management Section
AEs	Advanced Economies
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AGOA	African Growth and Opportunity Act
AU	African Union
BOP	Balance of Payments
CBE	Competence Based Education
CDP	Commodity Development Plan
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 Center
COMESA	Common Market for Eastern and Southern Africa
CSARL	Climate Smart Agriculture for Resilient Livelihoods
CSO	Central Statistics Office
CTA	Central Transport Agency
DCP	Development Cooperation Policy
DWA	Department of Water Affairs
ECCDE	Early Childhood Care and Development Education
ECOT	Eswatini College of Technology
EFTA	European Free Trade Area
EHCP	Essential Health Care Package
EHIES	Eswatini Household Income and Expenditure Survey
ELVCDP	Eswatini Livestock Value Chain Development Project
ENPF	Eswatini National Provident Fund
ESEPARC	Eswatini Economic Policy Analysis and Research Centre
ESPDG	Education Sector Plan Development Grant
ETVA	Eswatini Television Authority
FAO	Food and Agriculture Organization
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
HCI	Human Capital Index
HDI	Human Development Index
IAPS	Invasive Alien Plant Species

ICC	International Convention center
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
MPUs	Ministerial Planning Units
MSMEs	Micro, Small, Medium Enterprises
MTFF	Medium Term Fiscal Framework
NAP	National Adaptation Plan
NBFI	Non-Bank Financial Institutions
NCPs	Neighbourhood care points
NDC	Nationally Determined Contribution
NDMA	National Disaster Management Agency
NDP	National Development Plan
NDS	National Development Strategy
NERMAP	National Emergency Response, Mitigation and Adaptation Plan
NFIS	National Financial Inclusion Strategy
NHC	National Handicraft Training Center
NICI	National Information and Communications Initiative
NMC	National Maize Corporation
NMRF	National Mechanism for Reporting and follow up
NRMC	Natural Resources Management Committees
NSI	National System of Innovation
NWP	National Water Policy
OSH	Occupational Safety and Health
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
PRSAP	Poverty Reduction Strategy and Action Programme
PWD	People with Disabilities
R&D	Research and Development
RDF	Regional Development Fund
RFI	Rapid Financing Instrument
RISDP	Regional Indicative Strategic Development Plan
RSA	Republic of South Africa
RSTI	Research Science Technology and Innovation
RSTP	Royal Science and Technology Park
S.O.E	State-Owned Enterprises
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 Zone
SLWM	Sustainable Land and Water Management
SMEs	Small and Medium Enterprises
SMLP	Smallholder Market-led Project
SNL	Swazi Nation Land
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
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
UNFCCC	United Nations Framework Convention on Climate Change
VAT	Value Added Tax
VTRS	Vocational Training and Rehabilitation Services
WB	World Bank
WID	Women in Development

OPENING STATEMENT

This National Development Plan for the next five years marks a significant milestone in the history of our development planning and budgeting process. It is a critical step in our journey to restore macroeconomic stability, invest in green growth and become a nation that is inclusive and sustainable. The Plan aims at economic and social transformation which is underpinned by good governance directed at political stability and national unity. In the last two decades, our economy has not performed well with GDP growth averaging slightly above 2 percent and among the lowest in the region. The quality of life has deteriorated as unemployment increased and sources of generating income diminished. Government is concerned about the state of the economy and impact on people's lives.

Government is committed to undertaking reforms to bring stability, peace, harmony and growth. After experiencing the economic crisis, climate change and disasters, as well as political unrest, we have to be cognisant of the changing political landscape that is increasingly challenging. Government acknowledges the sentiments expressed by the different stakeholders during the consultations where they call upon the administration to unite the nation, improve on good governance and show political will to implement reforms. Furthermore, we foresee greater volatility and uncertainty in the global economy as a result of geopolitical risks which are pushing prices of oil and food up causing uncertainty on food security. This is additional to the impact by COVID-19 and unexpected disasters. In order to restore stability, we need to forge ahead with greater resolve and introduce bold measures for the long-term benefit of all Swazis.

The Plan will focus on restoring macroeconomic stability, economic growth based on eco-friendly principles and also disproportionately focus on the people –as the centre piece of all development efforts. The Fiscal Adjustment Plan is a commitment by government to turnaround the economy by fixing the fiscus. Climate change and environmental management, infrastructure and digital innovation will be important pillars of the Plan. The Plan will be used as the main policy document determining the development agenda, setting priority areas to guide budgeting, resource allocation and mobilisation for the next five years. All other related policies at sectoral and other levels will be based the NDP. The Plan will make the difference as it contains specific strategies and programmes founded on sectoral outcomes to unlock barriers and transform economy and lives. Government is concerned about the plight of young people and other vulnerable groups. The youth is about 73 percent of the population and 58.2 percent are unemployed (Labour Survey, 2021). A great worry about their future prospects. Government aims to invest in developing human capital and improving the business environment to attract private sector and stimulate growth. Encouraging productivity and innovation will provide the basis for sustained economic growth, create new economic opportunities and ensure continued wellbeing and success of the Swazi people.

Eswatini remains dedicated to the pursuit of socioeconomic transformation as articulated by the stakeholders. I take this opportunity to present to you the National Development Plan, whose goal is to achieve economic recovery and improve quality of life for the Swazi people. This goal is to be achieved under the overall theme of "Good governance in the anchor for economic recovery, green growth and sustainable livelihoods". This is in line with our own aspirations and international agreements we have committed ourselves to as government including Africa Agenda 2063 and the Sustainable Development Goals (SDGs). During the Plan period, we will continue to invest in maintaining and developing productive infrastructure to reduce the cost of doing business and increase connectivity especially for those areas that are lagging behind. Increasing productivity, inclusiveness and wellbeing of the population will also be fundamental to improving the quality of life of the labour force needed by the private sector as well as the life of Swazis. In addition, the role of both the public and private sector will be strengthened in the delivery of services to the people and creation of jobs.

Achievement of the aspirations for socioeconomic transformation is a concerted and collective effort. I urge all stakeholders in particular the private sector, civil society, communities and traditional leaders, faith-based organisations, ministries, departments and government agencies as well as development partners to have a significant role to play in the realisation of the development aspirations. I wish to confirm that national unity, sustained peace, stability and good governance are very essential in development. I wish to appreciate all those who contributed towards the development of this Plan and the tireless efforts of the drafting team members.

Hon. Cleopas S. Dlamini

H.E. The Right Honourable Prime Minister

Kingdom of Eswatini

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. The economic predicament which has confronted the country for more than a decade is challenged with social indicators deteriorating in full contrast of the lower middle-income status. The economy is faced by a challenging governance and political climate, a fiscal crisis, sluggish economic growth, high levels of youth unemployment, increasing 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 laying bare structural weaknesses especially in the education and health systems as well as in social protection. Stakeholders largely blame this state of affairs on the lack of commitment to policy reforms leading to poor implementation of policies and programmes. Consequently, the impact on the economy may be a strong signal for the call to re-think the economic growth model and consider structural socio-economic and political weaknesses.

Government has been focusing on a two-pronged policy framework of economic recovery and sustainable livelihoods with convergence towards SDGs. At the heart of the key policy goal set by Government for economic recovery is the need for sound 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, eradicate poverty and inequalities, provide a level playing field for private sector growth, accountability and transparency in the allocation and utilisation of national resources, and fighting corruption. According to the Mo Ibrahim[1] (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, good governance 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. The country saw young people taking matters into their hands in June 2021 prompted mostly by deterioration in service delivery and frustrated by lack of job opportunities. Largely to blame for this state of affairs is poor implementation of policies and programmes.

However, Government has committed to the turnaround of the economic situation, developed 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 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 taking on board progress made and challenges that emerged during the Plan period. Going forward, a

[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.

lot of financing is needed to build inclusive, sustainable and resilient economy which are also sensitive to climate change, environment management and disaster risk reduction. Resultantly, 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 these developments that took place during the Plan period, and new policy reforms focused on turning around the economy towards a recovery path. 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 country internationally including SDGs, AU Agenda 2063, 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 evasive 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 2022/23 – 2026/27 will be the main document giving guidance on government's main development agenda and priorities for resource allocation and mobilisation. The Government is committed to the turnaround of the economy and the restoration of peace and stability. The NDP is also premised on the inputs of stakeholders collected through the extensive consultations to ensure their voices were also heard and the data and analytical work provided deep insights into the priority areas for this NDP for the next five years.

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 a tall calling considering the effects of COVID, climate change disasters and the fiscal crisis which has heavily compromised service delivery. Nonetheless, government acknowledge the damage COVID has impacted on human lives especially children at school as they missed almost two years of effective schooling. Different stakeholders 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 M/SMEs 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. Another area to consider is the approval of the land policy which has remained in draft, diversification of the manufacturing sector, utilisation of the mineral resources, investing in high-value crops, 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 point. 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 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, should fundamentally change the trajectory of the country's growth. These are good governance aimed at achieving a conducive political climate and fiscal consolidation, human capital development focusing on harnessing the demographic dividend and addressing youth unemployment, strengthening infrastructure to support economic recovery, greening economic growth through the adoption of climate change related measures to build sustainability and resilience, strengthen service delivery to improve well-being of all Swazis and 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.

Furthermore, Government re-introduced structured development planning with the return of the NDP and acknowledges the confusion brought about by the multiplicity of individual development policy documents at the macro level i.e. Strategic Roadmap, Post COVID-19 Economic Recovery Plan, SSDIG and the NDS. The NDP is the operational policy document with priorities for the medium-term guiding resource allocation. It brings together all the policy documents into a single framework on which the MTFF is yearly based. 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 and improve on service delivery.

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. Governance, 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, policy implementation, good governance and political stability.

It has been established that economic recovery cannot take place in a political environment which is highly unstable and volatile, where government's credibility is highly questioned and investor confidence is quite low. It should be noted that unless Government takes leadership of the transformative reforms including good governance issues, the business climate will not improve and investor confidence will continue to wane thus attracting FDI and boosting domestic investment will be a big challenge. Part of the good governance measures is, fighting corruption and 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 revision of the planning officers' manual which details how operations are done.

Importantly, it is advisable to monitor and evaluate performance of the strategies, programmes and projects, to assess the realisation of overall strategic sectoral outcomes and national outcomes. This enables 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 cognizant of the required collaboration between public sector, private sector, civil society, communities and development partners to assist with resource mobilisation and implementation.

Gina, E.T. (Dr.)

Minister for Economic Planning and Development

EXECUTIVE SUMMARRY

Eswatini is a lower middle-income country but the economic and social indicators are in contrast. Economic performance continues to be very poor 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 will 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 are forcing the private sector into a state of insolvency. In addition, youth unemployment is estimated at 58.2 percent, poverty levels are high and income distribution is skewed, and the social sector is poorly resourced with a poor health system faced with an increasing disease burden as well as diminishing quality and relevance of education. 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.

Despite the big task ahead, government wants to bring optimism and 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 track. Therefore, the Government presents the National Development Plan (NDP) 2023-2027, as a pathway for the next five years leading to economic recovery underlined by sound macro-fiscal management and reduction of poverty. Its goal is to encourage the adoption of good governance principles to achieve economic recovery, sound macro-fiscal management, poverty and inequality reduction, a vibrant private sector, an accountable and transparent government, inclusive economic growth and employment, improved national unity and rule of law, and strengthened political stability. NDP addresses 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. Analysis indicates that the poor economic performance and fiscal crisis is driven by lack of good governance, corruption, political fragility, insecurity and lawlessness, and exacerbated by climate emergencies. Political stability, security and the rule of law must improve to create the conditions in which efforts to support and climate proof economic growth can succeed. Social development is crucial to fuel and sustain economic growth, through human capital development, social protection and disaster risk management.

Resultantly, the NDP wants to ensure the turnaround of the economy and achieve sustainable economic recovery, but is cognizant of the need to have 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. The NDP reiterates that fiscal discipline, inclusive and sustainable growth, eradication of corruption and private sector development are the core focuses. 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. The economic crisis faced started more than a decade ago and has developed into a political challenge which is now threatening national stability.

The recent NDP main objectives have not been achieved whereas the economic and social challenges are persisting. 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 macroeconomic management, investment in human capital development with emphasis on education and skills development, employment creation and entrepreneurship. Eswatini is a lower-middle-income country with a GDP per capita averaging more than US$3500 a year, but has the tenth highest income inequality in the world with a Gini coefficient of 51.5. About sixty 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.

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

The NDP serves as a roadmap to the MDAs for policy and programme interventions, and investments over the next five years; as a source of strategy and alignment with regional plans for decentralisation; and as 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, recovery, growth and poverty reduction across the planning period. Cross-cutting policies are integrated into each outcome, representing an important strategy for both targeting and prioritising interventions.

The Plan is still 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 Swazi people. It contains an assessment of the current macroeconomic situation and sectoral development performance. The NDP embodies the following key objectives:

- Restoring good governance and fiscal stability – public finance management and gaining efficiencies, anti-corruption;
- Strengthening the role of the state in facilitating and guiding socio-economic development;
- Rebuilding 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;
- Implementation of good governance principles to ensure sound economic management, elimination of corruption, respect to the rule of law and human rights;
- Comprehensive investments in human capital development encompassing education and skills development, health, as well as harnessing information and technology;
- Youth empowerment. Nurturing the potential of the youth and vulnerable groups;
- Revitalize 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, must be supportive to investments into adaptation and mitigation 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 as they do not believe government has the political will to implement reforms. Their confidence in government has been eroded and have got into a wait-and see stance. The poor performance of the economy characterised by fiscal bleeding, slow growth, price hikes and high levels of perceived corruption and lack of trust in government hinders growth and improvements in economic performance and human development indicators. According to the PRSAP (2006), growth must be above 5 percent for poverty to be tackled and gain investment returns.

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. A Growth

Strategy is long overdue and needed as a component of the economic recovery drive and this is one of the strategic objectives of this NDP and of Government. The Strategy must be accompanied by the development of PPP policy to guide sectors and strengthen options for funding. The private sector is also a source of capital and primary vehicle for investment and a dynamic and inclusive growth which government can use in view of the current fiscal crisis, to rehabilitate and construct new infrastructure. Road network must be maintained regularly to keep it in good condition and invest in ICT. 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, fights corruption, without excessively bureaucratic processes of doing business i.e. business registration, taxes, visa applications, contract enforcement and dispensation of justice, safety and security in a cost-effective and cost efficient manner.

The NDP is also an operational tool to engage stakeholders – private sector, non-state actors, the nation and development partners. 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
- Achieved fiscal consolidation and cleared arrears by 2027
- DRR Fund would have been established by 2025 to enhance preparedness
- Reduced poverty rates from 58.9 percent to 54 percent;
- Youth unemployment to decline from 58.2 to 30 percent
- Access to safe water to increase by 2 percent annually 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 negotiations on-going and will be secured by 2025 at the expiry of current agreement with ESKOM
- Renewables 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.

The demographic analysis indicate 72.9 percent of the population is the youth and 58.2 percent are unemployed which may have contributed to the political unrest in 2021 as they are idle, losing hope about the future and getting into substance abuse. Nonetheless, 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 by boosting demand for goods and services. Moreover, adequate investment will have to be made in their health, education, and entrepreneurship to build their productive skills thus continuing to stimulate further economic opportunities for them. This also entails creating a conducive environment for private sector development and encourage 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 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 Swazi people. 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.

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 and secured budget support from AfDB, IMF and World Bank** • **Economic growth low but a strong re-bounce of 5.9 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**	• 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 Ukraine –Russia 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 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 percent • Stakeholders lack of confidence in government to carry through with reforms

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. Also, in critical areas** • **Access to safe water increased by 13 percent to 67%, while coverage is at 75%. Access to improved sanitation services increased to 86 percent. 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

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 attaining sound macro-fiscal management, creating a conducive business climate, building human capital, empowering youth and vulnerable groups, developing physical infrastructure and improving the efficiency of administration. GDP growth rate for the NDP medium term period is estimated to be 2.9 percent over the first three years increasing gradually to around 5 percent from the period beyond 2025.

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 5 percent to GDP and debt of 50 percent to GDP until 2024 to reduce to 35 percent by 2027.

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 sustainability:** 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 is expected boost growth. This is expected to provide a base for sound macro-fiscal stability where credibility of government will be restored and service delivery will be improved.
    i. Overall, Eswatini is optimistic for a future that is built on sound macroeconomic policy, inclusiveness so that no Swazi is left behind, improved wellbeing for all, human capital development that is future-proof, green and sustainable growth, infrastructure that supports economic expansion, and 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. Growth projections for the plan period is around 2.5 percent initially, to stabilise at an average of about 5 percent thereafter. Moreover, 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 remain higher at over 5 percent. The private sector has to be the engine for growth in order 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 supports should reinforce the agreement with the IMF and treat the FAP as a pre-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 below 5 percent of GDP and the debt sustainability level of 35 percent to GDP. Currently, the debt to GDP ratio is 43 percent on average with the region's average at 60 percent of GDP.
    v. Sound macroeconomic management will ensure fiscal discipline, including adherence to budget ceilings and elimination of arrears; moderate the impact of SACU revenue volatility, improve on revenue management by improving on tax collections, reviewing tax orders and assessing viability of EPZs, and 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 and/or privatization or commercialisation of some.

vi. A comfortable position for gross official reserves is above 4 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, improve on performance of public servants. 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 inclusive growth. Restoring economic growth and laying the foundations for long-term development requires a dynamic and agile private sector that can innovate and respond to global opportunities. Tackling the challenges of a weakening business environment faced by private sector will lead to the achievement of the following - reduction of active government participation in the market, reduction of the informal sector, strong and competitive MSMEs, increased respect to honour public contracts and sub-contracts that are awarded to local companies, and 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 by creating the enabling environment 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 for to link up with 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 a 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 micro, small and medium enterprises (MSMEs).

   ii. **A dynamic MSME and revitalised manufacturing sector** under this Plan will create jobs, stimulate foreign exchange earnings, grow MSMEs 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 services including tourism sector is a lever for economic recovery. The manufacturing, MSME and informal 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. The SME policy was revised and youth policies can create a conducive business environment for aspiring young entrepreneurs. The Centre for Financial Inclusion also collaborates with the SME Unit and FinMark Trust to implement the SME Roadmap that will transform the sector. The Roadmap has three pillars: (i) stimulated SME growth through value chains; (ii) enhanced access to finance; and (iii) rationalised business support services. Commercially-oriented smallholder farmers will be supported with information links to 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, reduce intangible transaction costs that often add to the cost of doing business, invest in infrastructure development and increasing ICT penetration; reducing cost of ICT devices and services; creating more direct jobs in the sector. Regulatory requirements must be more transparent, processing times need to be shorter, and the overall economy must be more business-friendly. Government will make efforts to enhance competitiveness and improve the business climate through making trade facilitation smooth and fast, develop Sidvokodvo Industrial Estate to alleviate the shortage of land available to investors, give assurance on security of energy and water supply. Bulk water projects such as Nondvo dam will be developed to provide safe water. 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 healthy human resources are 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. 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 large youthful population and invest in skills development for a productive future Focus on labour market efficiency through 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 and enhancing 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 five 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. Improvements in these areas will strengthen overall progress and ensure that services are innovative and support are delivered cost-effectively and more fairly to all groups, as well as ensuring 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 RDF will continue, with the objective of uplifting the wellbeing 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 to climate change, environment degradation and disaster risk reduction through adaptation and mitigation. These are key mechanisms to attaining sustainable inclusive economic growth and protecting investments against harsh realities of climate change. The governance and legal framework is being strengthened to create an enabling 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 ensure 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. 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; and

x. Enhance the 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 lots of 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 an 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. Energy development programme: aims to increase access and consumption of clean energy. Expected results include: increase in primary energy consumption; increase in the proportion of population accessing electricity; reduction in the share of biomass energy used for cooking; increase in transmission capacity; and enhanced grid reliability;

iv. In water and sanitation, more investments should 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 should invest in new networks and treatment plant capacity to protect water sources and rivers; and

v. 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 fuel supplies.

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 is 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 for the Government to promote gender equality and protect the interests of children – both the boy and girl child, and youth, PWDs and the elderly and to ensure investment in their livelihoods for sustainability; as well as preparedness to manage disaster risks and ensure resilience to climate change. 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 for cross-cutting and emerging issues will be done by the various MDAs in collaboration with development partners, civil society, academic and research institutions and are therefore 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 -2024/25 is estimated at E66.289 billion, consisting of E51.686 billion for recurrent expenditure and E14.6 billion for the capital investment programme. SACU receipts are estimated at E20.8 billion, E1.495 billion from development partners as grants, and E41.2 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 E34 billion. As part of sound macro-fiscal management, the PFM Act 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, improving allocative efficiency and absorptive capacity and inculcating the culture of monitoring and evaluation that yield results.

As indicated in chapter 12 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. There are a number of issues that Government has to address for the NDP to be successfully implemented which have a bearing on the revenue collections and includes creating a conducive environment for businesses, improving infrastructure, digitalisation of government services and building capacity in MDAs and state-owned enterprises, and the need to galvanise the domestic private sector and MSMEs. 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 for prudent fiscal management as indicated in the PFM Act (2017). Financial management of PEs will be done accordingly as in the PFM Act for transparency and accountability as well as know the debt obligations. Implementation of these plans will also be linked to the macroeconomic framework and MTFF. In addition, 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 there 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 Sectoral Unit, PPCU and Poverty Unit, and introduction of institutional reforms 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. This will require strengthening the coordinating role of offices responsible for coordinating the NDP, budgeting, and planning units in ministries. Improvements will involve the roll-out and operationalising the present 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 & 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 & Dynamic Private Sector Supporting Sustainable & Inclusive Growth	1. Re-engineering Growth for Recovery 2. Strengthened Business Environment 3. Increased Employment-Stimulating Investment 4. Dynamic Entrepreneurship and MSMEs Fostered 5. Modernising Agriculture for Increased production & Value Addition 6. Climate Smart Investment
3 - Enhanced Social & Human Capital Development and Sustainable Livelihoods	1. Improved Access to Quality Health & Health Services 2. Improved Access to Quality, Relevant & Inclusive Education & 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. Enhance 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 Swazis
4 - Efficient Public Service Delivery That Respects Human Rights, Justice & the Rule of Law	1. An Efficient, Dependable & Modern Government Service 2. Safe and Secure Country and Living Environment 3. Strengthened Implementation & Enforcement of Human Rights, Law & Order & Constitutionalism 4. Enhanced Service Delivery for Improving Citizens Livelihoods 5. Rural and Community Development
5 - Well Managed Natural Resources, Environmental Sustainability & Disaster Risk Management	1. Improved Management & Access to Safe Drinking Water & Sanitation 2. Improved Land Use Planning & Management 3. More Equitable, Inclusive & Sustainable Management of Natural Resources 4. Improved National & Community Resilience to Climate Change & Natural Disasters 5. Clean & Safe Environment & Sustainable Use of Natural Resources Enhanced 6. Strengthening the Enabling Environment for Green Growth
6 - Efficient Economic Infrastructure Network and Innovation	1. Upgrading Physical Infrastructure to enhance Access & Connectivity 2. Improve Coverage, Quality, Reliability and Affordability of Digital Infrastructure & Services 3. Sustainable Secure, Clean and Affordable Energy 4. Investment in Water Services Industry

CHAPTER 1 – BACKGROUND AND SECTORAL DEVELOPMENTS

1. Introduction

Eswatini is a lower middle-income country with a GDP per capita of more than USD3000, but the standards of living and public services are generally not at middle-income standards, and are below SSA average and countries in the same category. It 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 of more than 5 percent on average, however, the development path has reached a point where the economic, social and political challenges are at cross-roads. Eswatini is suffering from visible social tensions and slow economic recovery due to structural development challenges development which has resulted in highly skewed poverty levels. Consequently, the results have been a further fragmentation of the political landscape. A relatively smooth transition to good governance and its continuous consolidation as well as democratic geopolitical landscape to be reached by consensus, will be facilitated by several factors, including an in-built culture of tolerance, strong clean institutions, good education and development levels, and a dynamic, well-developed public service and civil society.

The NDP aims to pave a development path that is a transition from the current economic crisis to a governance landscape reached by consensus and working together. Following the economic – fiscal crisis that started more than a decade ago, government got into an agreement with the IMF on a reform package which could be termed a pre-programme, as it is focused on fiscal consolidation to be achieved by cutting expenditures and improving on revenues. The FAP implementation started during the FY2021/22 and 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, political instability and a divided nation.

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 which is above the 35 percent of GDP ceiling set in the old NDP, and caution should be taken to manage it prudently. The NDP expects the ceiling of 35 percent of GDP to be achieved in 2027. Eswatini's challenges have become more complex with the politically related issues as it is still faced with big challenges such as restoring good governance tackling economic management problems, corruption, lowering the unemployment rate, eliminating poverty, and confronting the challenges of climatic change. The path to prosperity is not an easy road, as more barriers are must be overcome. 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. However, as the economic issues are addressed, this is an opportunity to also address the political divisions, social tensions and climate change related issues together to cut down on the costs on future investments.

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 (Labour Survey, 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 in Lubombo and Shiselweni which are the poorest, vulnerable and food insecure regions. Given the increasingly challenging socioeconomic 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 help 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 good governance, 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 happen without good governance underpinned by political will, fiscal stability, inclusive and sustainable growth, peace and security, respect for rule of law, national unity and stability. It places in priority on good governance and national reconciliation to be able to address social ills and current challenges. It also acknowledges that economic recovery will be achieve if the FAP is successfully implemented to stimulate growth.

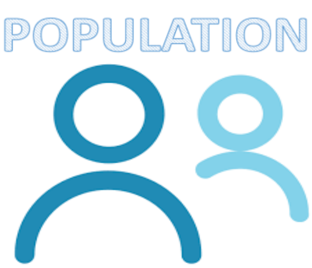
1.1. Outline of the Plan

This NDP is organised as follows: Chapter I contains the introduction and background to the NDP. A 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 to 9 presents the strategic areas of the Plan as comprehensively laid out across six (6) national outcomes. Financing of the plan is discussed in Chapter 10, while Chapter 11 discusses the risk assessment presenting likely challenges to be faced during implantation and how they could be mitigated. Chapter 12 discusses implementation and coordination as well as the monitoring and evaluation framework of the Plan. Chapter 13 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, risk analysis and linkages with SDGs, NDC, AU Agenda and Sendai framework.

2. Country Context

2.1. Demographics and Socioeconomic Development

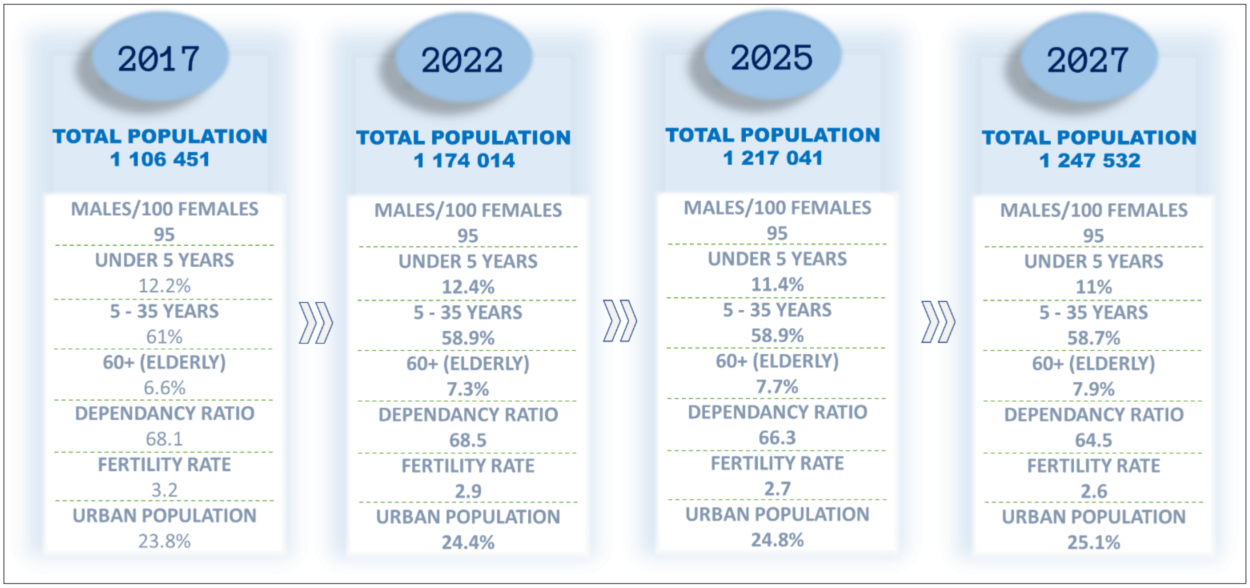
In spite of the small size the country, the land and climate are diverse with four geographic regions, including the mountainous high-veld with gorges, waterfalls and rivers; the middle-veld, which is endowed with fertile soils and home to the largest industrial area; the lowveld with sub-tropical climate 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 a transboundary water agreement 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 year 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



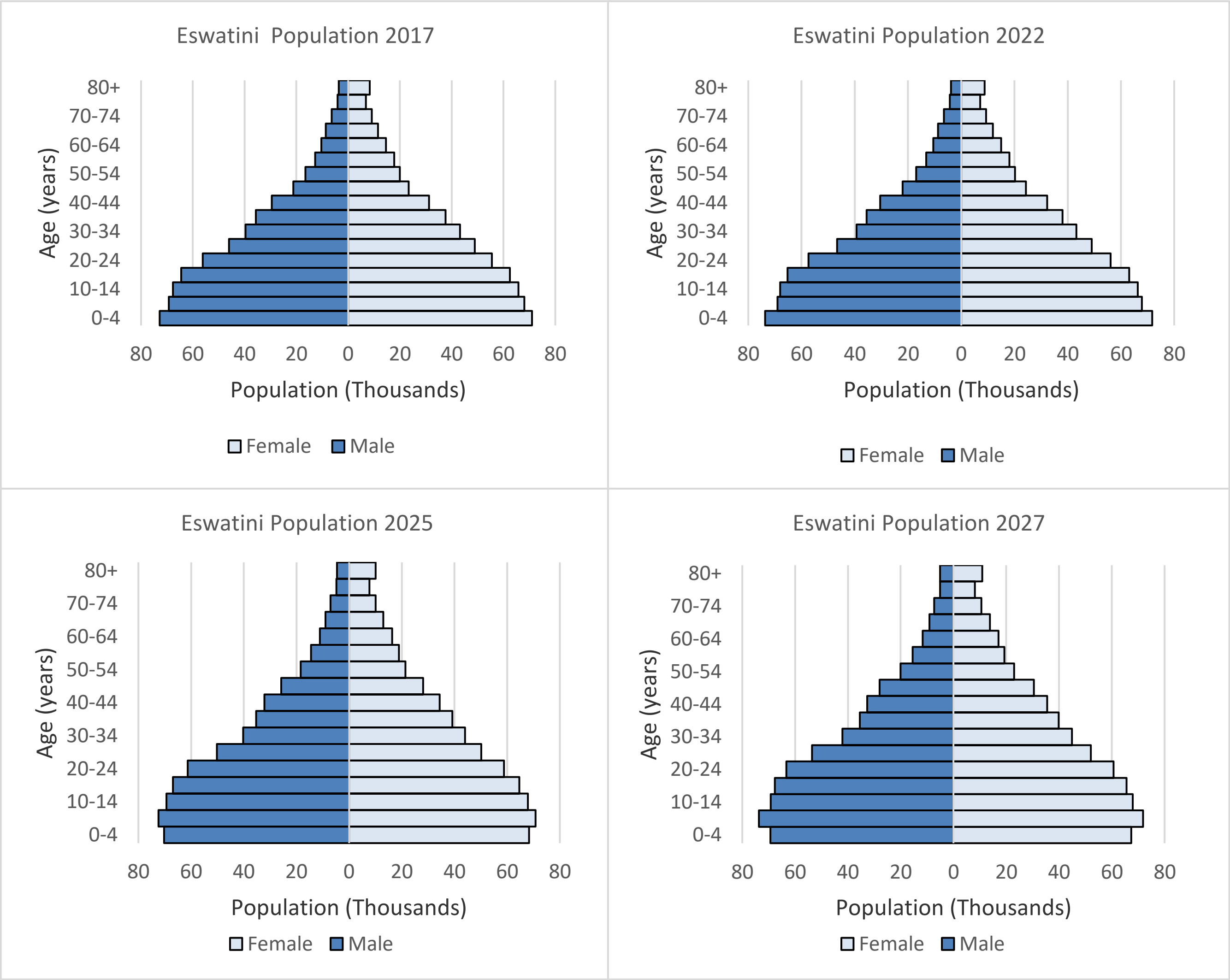
Source: Adapted from CSO 2017 – 2038 Population Projections

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 compare 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 3 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 2025 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 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 comprise 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, Ukraine-Russian war which is pushing up prices, and high unemployment. According to NDMA (2022), food insecurity is expected to worsen with 29 percent of the population facing a food security crisis. School feeding and accessing food through NCPs has been a relief to poor parents. 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 HDD, teenage pregnancy (12-19 years old) , loss of interest in school, school drop-out 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 and below, Eswatini can harness the DD if it makes huge investments in its youth and can transform education and skills development, health and wellbeing, empowerment as well as employment and entrepreneurship. This lies 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 50 years. The education and health system are dysfunctional with sparks of success in a very few areas. Eswatini experienced a decline in human capital index[2] from 0.47 in 2018 to 0.31 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; eliminating gender inequalities, improving access to quality education that is matched with labour market demands; putting in place macroeconomic measures that would facilitate job creation and entrepreneurship, 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:

(i) upholding of the principles of transparency, democracy, good governance, anti-corruption and 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;

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

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. Health sector made progress in reducing under-five mortality, from 62.54 per 1000 live births in 2013 to 46.64 per 1000 live births in 2020; infant mortality from 49.4 per 1000 live births to 43.4 per 1000 live births to 37.4 per 1000 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 1104 universities in Africa. Currently it is underfunded with teaching quality and infrastructure deteriorating. Youth unemployment has risen from 47 percent in 2017 to 58.2 percent in 2021. 2 percent of youth have no formal education and 29 percent of youth have attained at most incomplete primary education, meaning that in total 31 percent of 15-24 years old have not completed primary education in the country. 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.

Socioeconomic 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 been high. Progress has been made in achieving the 95:95:95nratio with HIV/AIDS however, 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 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 54.5 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 and the ever-hiking inflation, 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 percent and this is particularly impacting the increasing number of youths entering the workforce, with youthunemployment 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[3]), 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).

Table 3: Selected Socioeconomic Indicators

INDICATOR	VALUE
Total population (2022, projection)	1,174,014
Population growth rate (2018)	0.70%
Children under 18 (2018)	537,617
Children as % 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%
% 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

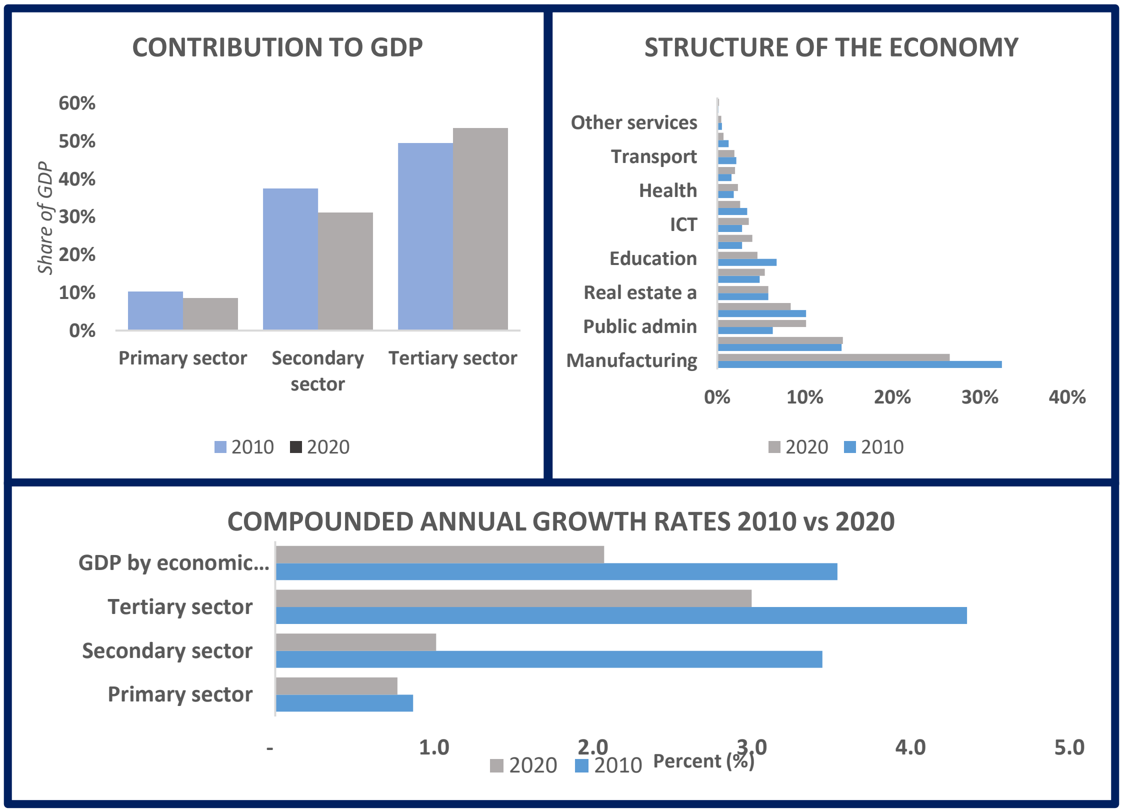
[3] SHIMS 2020 results not yet available

2.2. The Macroeconomic Environment

2.3.1. The Changing Structure of the Domestic Economy

Diminishing productivity constraints: Real GDP growth averaged 2.1 percent per year for the decade 2010 to 2020, having decelerated from 3.6 percent from the previous decade (2000 to 2010), largely due to weakened productivity growth for the secondary and service sectors of the economy. Over 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[4]. Private sector has historically been the engine of Eswatini's long-term productivity and economic growth particularly manufacturing and agriculture, but have 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 influence government has in the economy to drive growth.

Figure 3: Economic Structural Shifts (2000 - 2020)



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

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

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. However, due to cashflow challenges being experienced in the past decade, public investment has been on a declining trajectory and private investment is on a gradual picks-up. On average, private investment is estimated at 23 percent of GDP.

2.3.2. Recent International Developments

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, 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 geo-political 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 geo-political 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 (i.e., Omicron). Additionally, wider social tensions emanating from the soaring food and energy prices is expected to further weigh down on the global economic outlook.

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 A..	*-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

Regional Trading Partners: The South African (RSA) 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 are 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 fuelled 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.

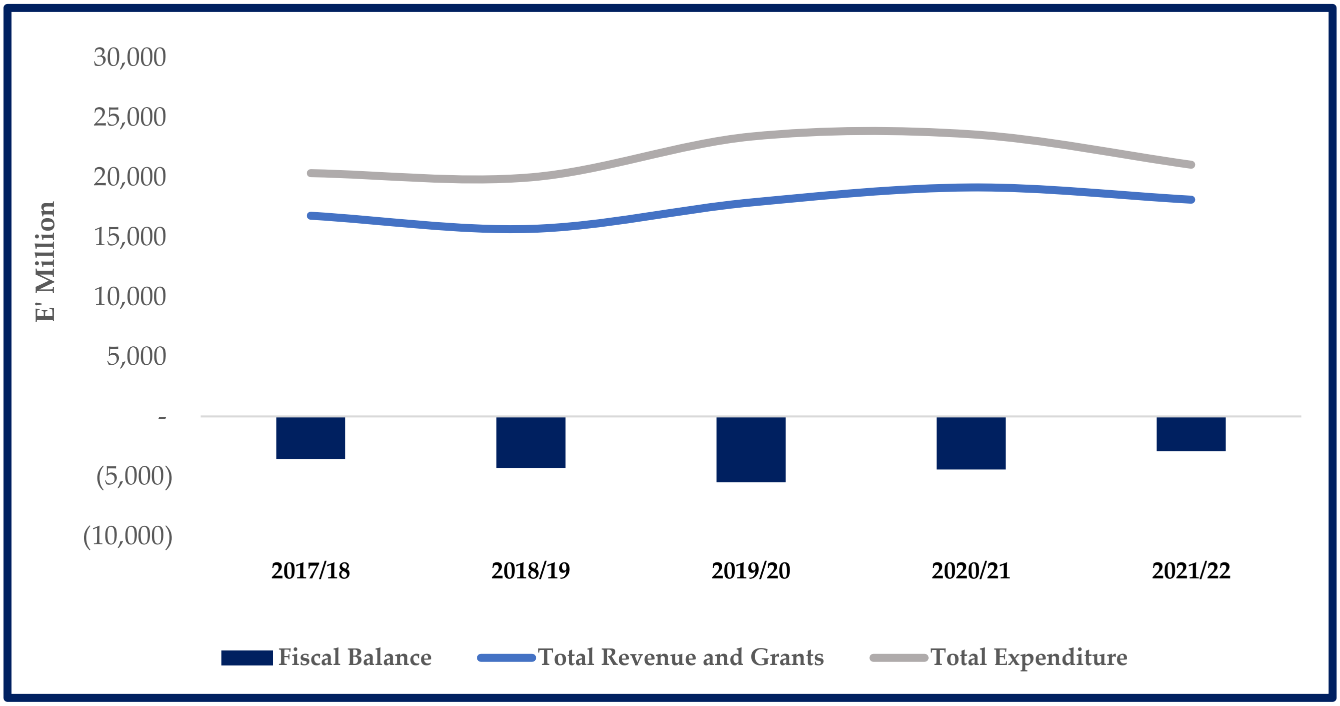
Overseas Trading Partners: In 2021, economic output in advanced economies (AE's) was estimated to have rebounded by 5.2 percent following a 4.5 percent contraction in 2020, mainly supported by the resurgence in performance of most economies including the United Kingdom (UK), the United States (US), the 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 medium term, AE's growth is projected to moderate to 3.3 percent in 2022 and 2.4 percent in 2023, mainly driven by the geo-political 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.

2.3.3. 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 balance has remained negative for the last four years. However, in 2021/22, the fiscal balance was on a downward trajectory, in line with government efforts for fiscal consolidation which are prioritising expenditure cuts and revenue enhancements. Resultantly, both the primary balance 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 mobilisation, 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 & 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 review period and was estimated at E18.126 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 act.	2018/19 act.	2019/20 act.	2020/21 act.	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 the fast-tracking of the vaccination programme for COVID-19. This contributed towards the containment of the spread of the virus. Consequently, the vaccination programme relieved the pressure on government spending as less people became infected leading to a significant fall of 10.8 percent in expenditure.

Government consumption is measured through the spending on items that are recurrent in nature. The purchasing of goods & 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 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 organizations 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 as outturn for the FY2021/22. 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 & 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%

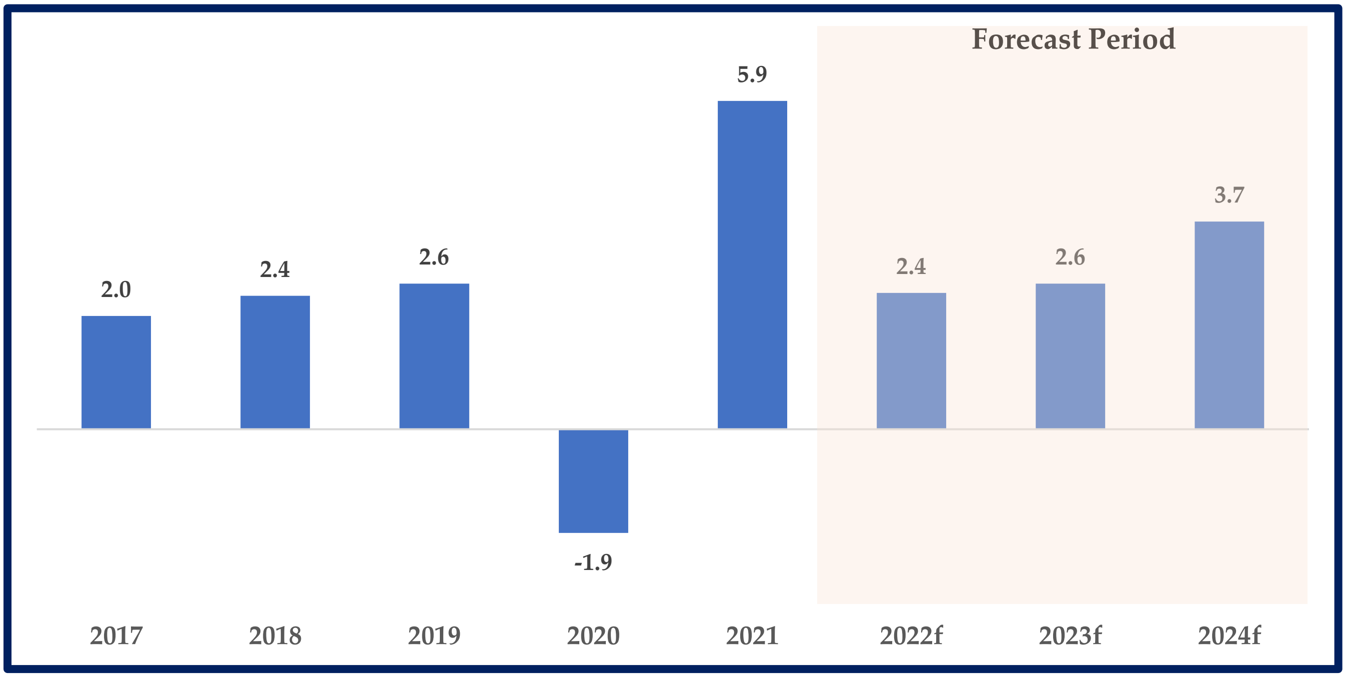
Source: MoF MTFF November 2018

Public Debt: Total public debt stock remained on an upward trajectory 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 stabilize within the medium-term (2022/23 – 2024/25) to about 38.0 percent of GDP.

2.3.4. Recent Domestic Economic Developments and Baseline Outlook

Overall Economic Growth: *Despite various challenges in the year 2021, the domestic economy rebounded, reflecting resilience in view of the experienced continued episodes of the COVID-19 induced constrains, erratic meteorological conditions in the form of the LA 'Nina phenomena, supply-chain challenges, and socio-political unrests. 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 a 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).*

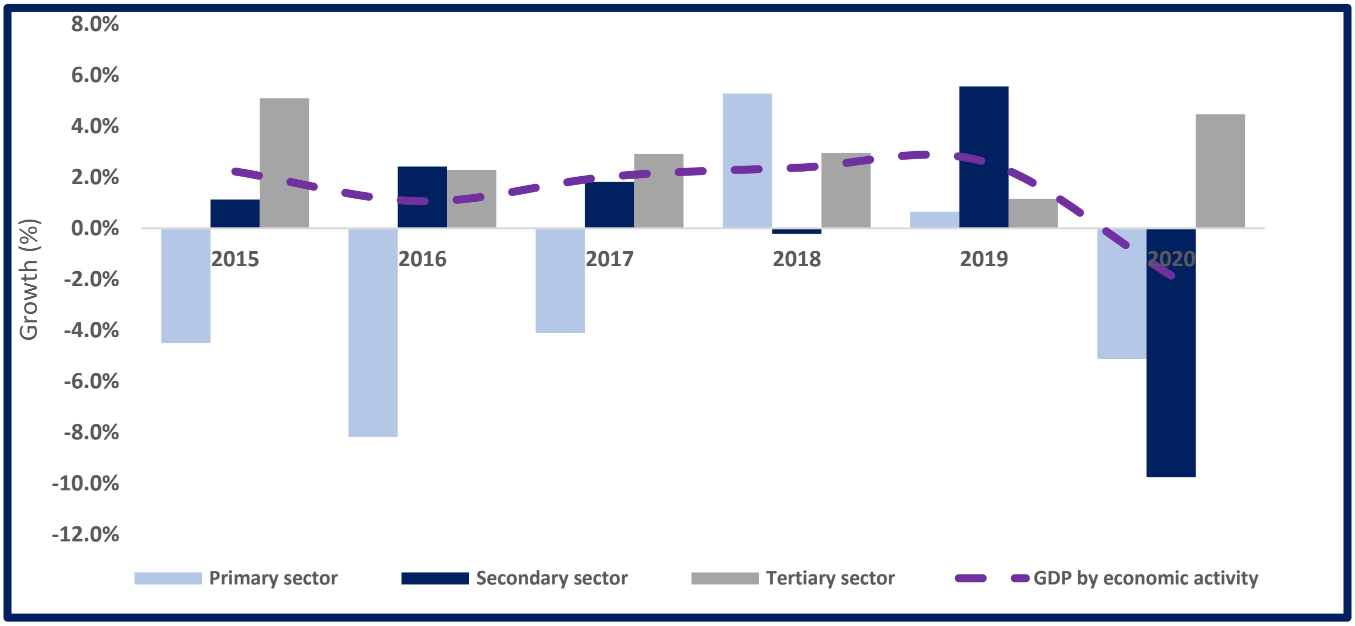
Figure 6: Overall Real GDP Growth (%) Estimates (2017 - 2020) & Forecasts (2021 - 2024



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 challenges 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



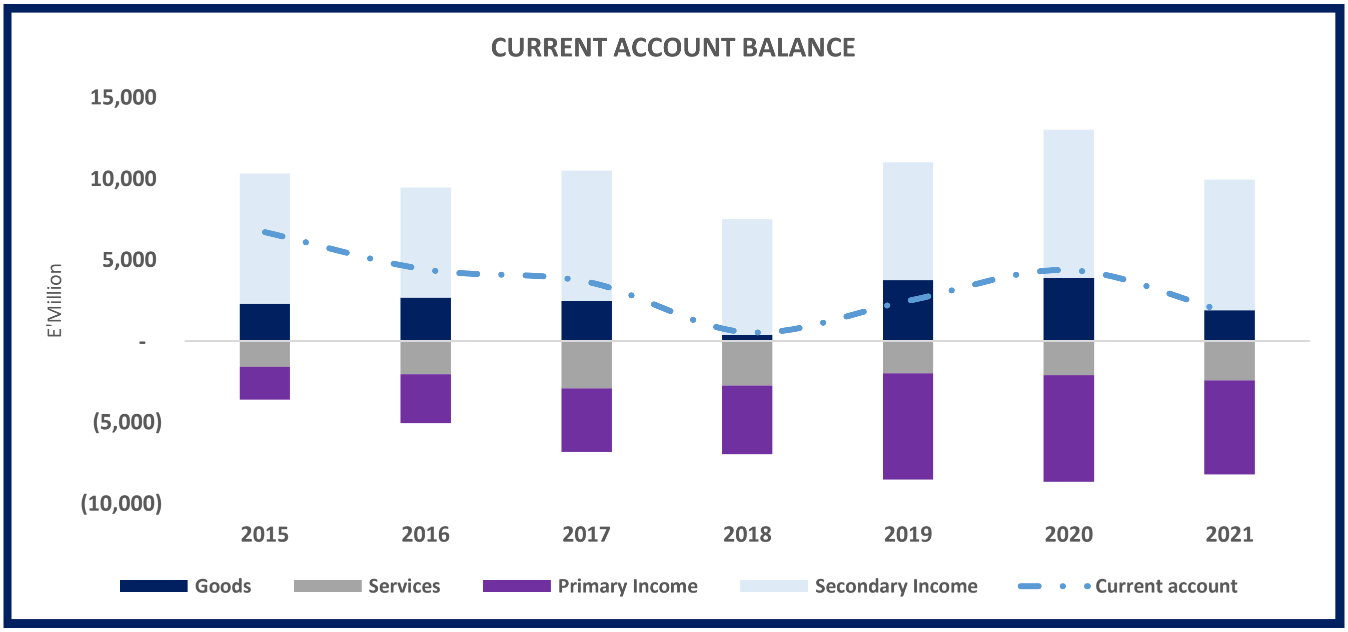
Source: CSO National Accounts & Macro-Forecasting Team (MEPD & CBE)

Concentrated product base & 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 underutilised. Resultantly, 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 of 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



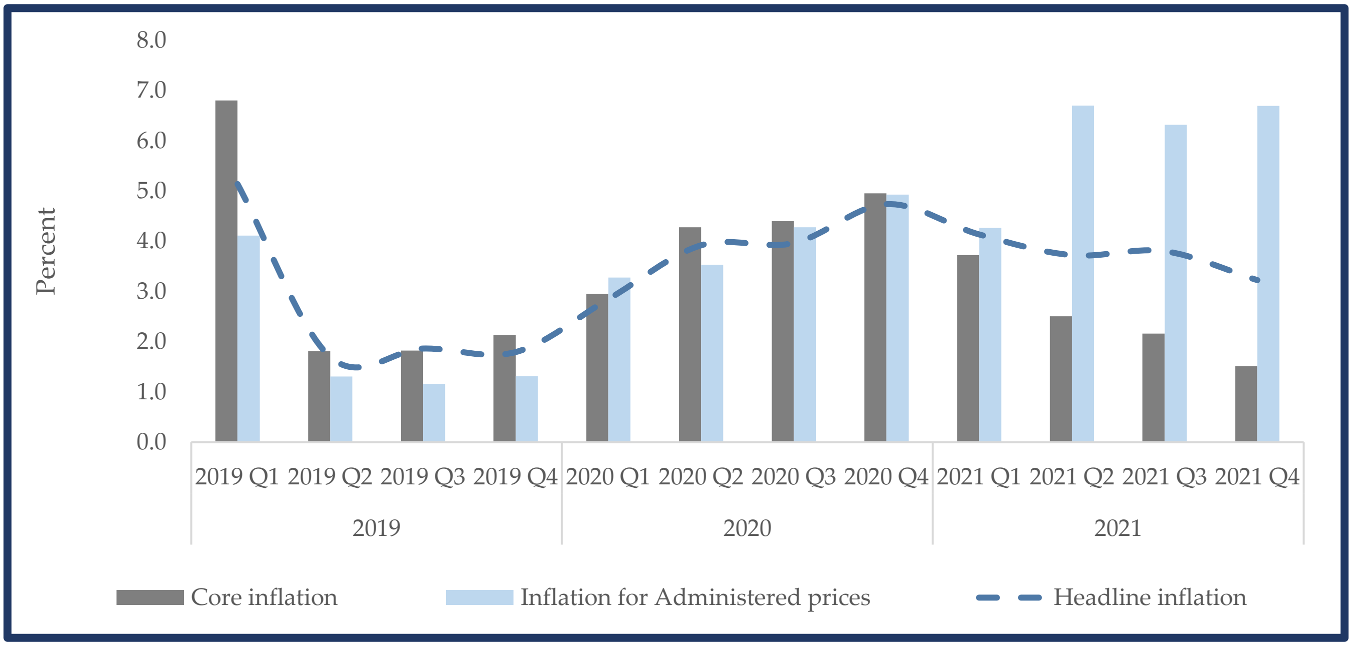
Source: Central Bank of Eswatini

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 & 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 Ukraine – Russia 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 geo-political 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

3. SPECIFIC SECTORAL DEVELOPMENTS

3.1. Good Governance, Economic Recovery and Fiscal Stability

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. Growth rebounded by 5.9 percent following 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 the 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 the rigid, with a few products dominating the product-base. Moreover, the country has heavy reliance on the RSA market as it absorbs 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 issues since 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 that 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.

3.1.2. Fiscal Management

Key achievements, strengths and opportunities

Despite, the strides made in the implementation of some of the recommendations and strategies proposed in the previous NDP (2019/20 – 2021/22) for fiscal consolidation, the economic challenges still remain, worsened by the COVID-19 pandemic, political unrest and Cyclone Eloise. Roll-out of some of these programmes have been executed at 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 in rolling out implement 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 Master Plan which contains critical national infrastructural projects to boost economic recovery was developed to be tabled during a donors conference, but still to be done. Possibilities exists 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 4.6) of GDP curtailing expenditures and enhancing revenue measures. Expenditure reduction measures include cuts in the wage bill[5], goods and services, internal transfers and capital programme. Revenue enhancement measures includes widening the V.A.T 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 more than E3 billion as budget support to implement certain fiscal reforms. However, challenges in PFM management remains.

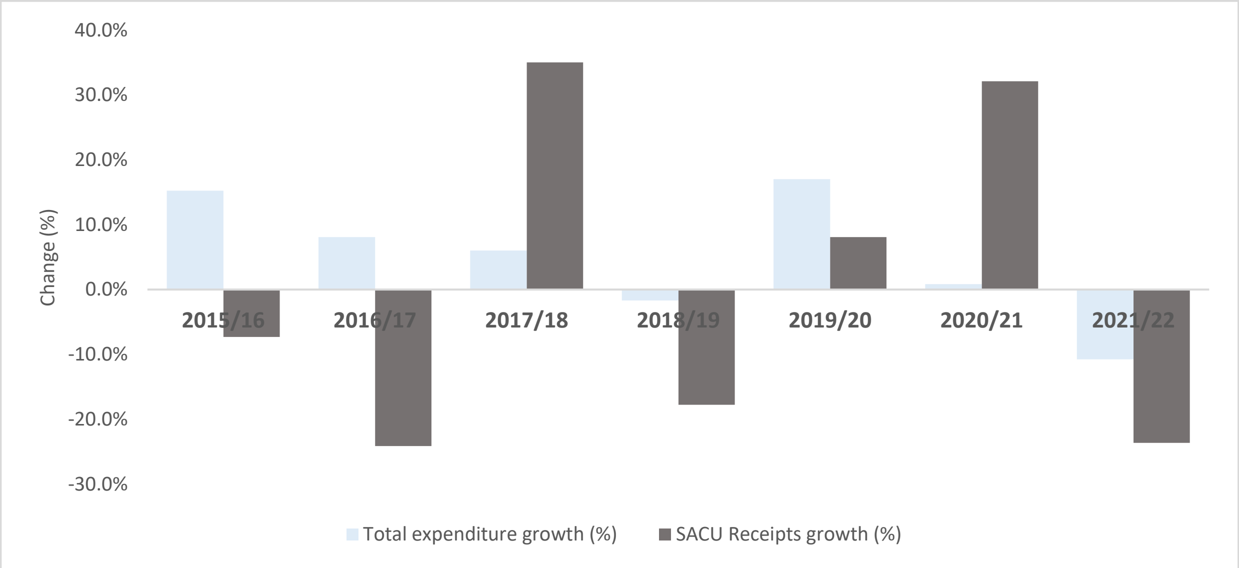
Arrears clearance: budget support received assisted in the clearance of arrears dating as back as 2016 were reduced from E5.30 billion in March 2020 to E2.46 billion in 31 March 2022, as part of the arrear clearance strategy. However, as the cashflow problems persist, arrears have started to accumulate.

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 into a department has been concluded and likely to be implemented in 18 months from the time of study release.

Figure 10: Total government expenditures growth relative to SACU receipts growth (%) 2015/16-2021/22



Source: MOF: MTFF March 2022

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 (accumulation

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

of 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 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, significantly compromising the management of public finances. 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 trajectory 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.

National planning and projects financing: the NDP guides medium-term development agenda and policy direction for the country implementable through the national budget. However, misalignment of the budget with the NDP 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 used to be done by PBC as combined central agencies, but over time got weakened and fragmented. 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 are questionable. 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, and is above the 35 percent of GDP ceiling set in the NDP.

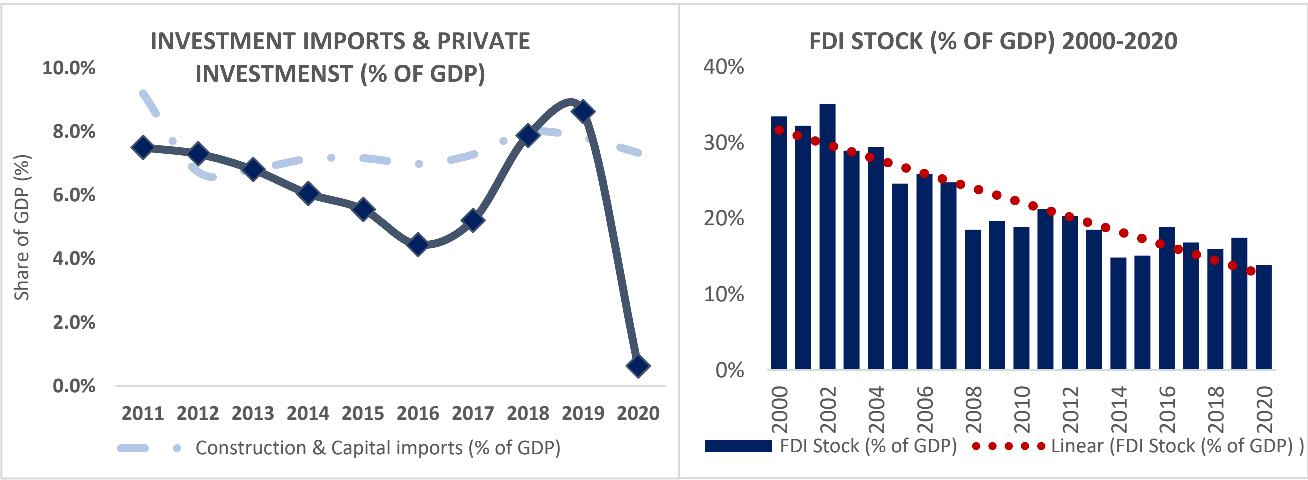
Public investment programme analysis**:** an assessment of the public investment programme exposed serious weaknesses ranging from lack of following procedures, poor analytical work done, following political instructions, poor quality, changing in variations, costs not contained, idle structures and 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[6]. 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.

3.2. Enhanced & Dynamic Private Sector Supporting Sustainable & Inclusive Growth

Figure 11: Private Investment 2011 -2020



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

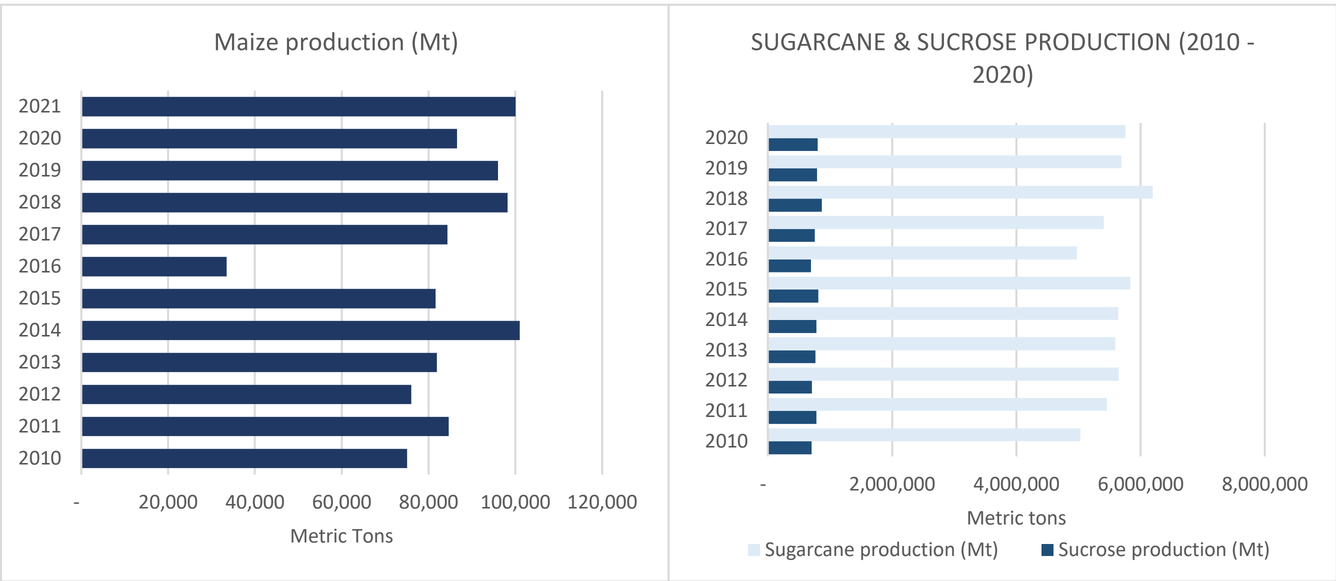
Key Achievements, Strengths and opportunities

Sugar cane production: the area under sugar cane production decreased slightly from 60,423ha in year 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.

[6] 31 March 2022

Horticulture production: the renovation of existing infrastructure and establishment of new tunnels at ESWADE and NAMBoard, aimed at improving high value crops showed 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 12: Sugar (Sucrose) and Maize Production 2010 -2020



Source: SSA, 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 has 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) and Taiwan (Economic

Cooperation Agreement). The agreements are complemented by the agro-value chain study done by the SADC Trade Related Facility (TRF) identifying products for these markets.

Trade facilitation : the trading hours at two of the main borders are open for 24 hours to improve trading and easy 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 exasperated by the Ukraine – Russia 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 exacerbated by COVID-19 pandemic, political unrest and Cyclone Eloise which affected fiscal situation as businesses were closed and very littke 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 are two of the key impediments to growth that companies highlight, as well as the major deterrents to investing that foreigners cite. They also cited the aggressive tax collection methods by ERS 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 costlier 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: Within the review of the 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; furthermore, 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.

Social unrest: the unprecedented social unrest which resulted in destruction of property, loss of stock and inventory for some business became a serial challenge pushing some businesses to bankruptcy.

Productivity constraints: limited production in some of the country's export products has resulted in the country not being able 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.

3.3. Enhanced Social & Human Capital Development

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 & health related services, addressing the rise in NCDs, access to safe water and preventing any regression on HIV/AIDS, malaria and TB which have reached the 95:95:95 ratios.

Improving access to basic health care and nutrition: 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, the Mbabane Government Hospital was rehabilitated 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.

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 & 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.

***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 immunization of children.

Increased burden of non-communicable diseases: cancer, diabetes, and hypertension for all age groups is 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 suspected to increase. 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, skills, new equipment and technology. Among these are the key referral hospitals such as Mbabane Government Hospital and Pigg's Peak Hospital.

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 nut heavily challenged during COVID-18 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. The following strategies were prioritised.

Improving the education system to develop current and future skills: a curriculum framework was developed and mapping study for the ECCDE was carried out. Findings of the study indicate a total of 1,420 ECCDE centres are in place and are evenly distributed throughout the country. Life skills education (LSE) was mainstreamed into the primary school curriculum and under implementation as a component of the progressive implementation of the CBE, currently in grade 3. It is being implemented as a stand-alone subject at secondary school allotted a period per week, and piloted in three tertiary institutions i.e. SANU, Eswatini College of Technology and Ngwane Teacher Training College. Furthermore, information communication technology (ICT) was formally introduced as a subject in primary schools.

Strengthening of the education in emergencies programme: this 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 was quickly produced to continue with 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 the media. Government received support from development partners as the emergencies increased. Based on lessons learnt from the pandemic, the Learning Management System (LMS) will run in parallel with the mainstream programmes, to avoid disruptions in learning in cases of emergencies, so that the LMS can be activated 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. The Ministry engaged in resource mobilisation and acquired an ESPDG grant from the GPE, to support the development of an Education Sector Strategic Plan and a multi-year education plan. Priority for the sector is to intensify resource mobilisation with cooperation of development partners to accelerate implementation of education programmes.

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 built with assistance of Japan government to cater also for children with disability and encourage learning together of children with all types of learning needs, access rates, types of disabilities, as well as the challenges like repetition in the early grades. Mainstreaming disability was applied first to the 2021 Education Sector Analysis. This also provided an evidenced-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

COVID-19 impacts: comprehensive studies on the impact of COVID-19 pandemic in the education sector is yet to be done 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 have to raise its spending on education.

Online learning: most government schools including university and colleges, do not have the equipment, relevant teaching tools, IT staff and knowledge to teach online. On the other hand, private schools were able to quickly adjust. This resulted in gaps in learning 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 include the political unrest which instigated arson attacks on schools' infrastructure mainly laboratories and administration blocks. Re-opening of schools 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.

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. Ueban 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 54.6 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[7] phenomenon - rural

[7] 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

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 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 wellbeing[8]. 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 help the most vulnerable children but they do not reach them. CSO data indicate 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 47,723 children aged 12 to 18 years living in extremely poor households, the OVC education grant reached only 26 percent. Consequently, the efforts have not benefitted target groups and child poverty remains at alarming levels. The table below show the programmes for social protection.

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

Name of Programme	Type	Target group	Transfer volume per month	Number of beneficiaries	Annual costs in E' million	Implemented by	Source of funds
Old Age Grant	Universal	People 60+	E 500 per month paid quarterly	75481	466	DPMO-DSW	Government
Disability Grant	Means tested	Poor disabled people	E 280 per month	9,654	28	DPMO-DSW	Government
OVC cash grant (pilot project)	Means tested	Poor OVC in selected areas of 4 Tinkhundla	E 100/200/300 per month depending on age of child	13,506	33	DPMO-DSW	Program is EU and World Bank funded until Sept. 2018
OVC education grant paid to 273 schools	Means tested	Poor OVC in secondary and high schools	E 1,950 per year	60,373	170	DPMO-DSW	Government

Source: The DPMO 2022, UNICEF 2022

Poverty is more pronounced in rural areas, where 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

[8] 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.

deprived in four or more dimensions of well-being. Budget allocation for social protection is estimated at 2 percent of GDP and programmes remains well below levels required to effectively reduce poverty.

Eswatini continues to be characterised by high levels of inequality. 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 disease 2019 (COVID-19) pandemic, 44 percent of rural households are using crisis-based coping strategies, such as reducing spending on health and education to meet their food needs, 6 resulting in increased child poverty.

Key Achievements, Strengths and opportunities

Overall, there has 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 Decentralisation programme are all aimed at reducing poverty and inequalities. Consequently, a decline in the proportion of people living below the poverty line was realised and 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 indicate 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 OVC, disabled persons and educational. 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 wellbeing and livelihood as part of recommendations of the PRSAP (2006). However, it faces many challenges.

National Civil Registration Mopping exercise: 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 that they are 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 he 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 Disasters 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 gained from the food parcels.

Development of sectoral policies and strategies: 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 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 found mainly in rural areas as more than 90 percent live in rural areas and poverty is a 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. 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 remains and appears to be well below levels required to effectively reduce poverty. However, some analysis indicate 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. 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, inflationary pressures causing escalating prices of basic commodities, and inadequate social protection system. Worsened by the increasing responsibility for the elderly of looking after 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: livelihood of population living in rural areas is compromised by high cost of some basic food as they remain on the high. This limits the standard of living for the affected population. The COVID -19 has widened the gap between the poor and the non- poor with the poor falling into extreme poverty a situation where they lack income and the ability to consume certain basic goods 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 thus unable to contribute significantly to achieving the policy objectives of SDGs and the National Social Development Policy.

The table below show how the social protection programme can reach out to the most needy population.

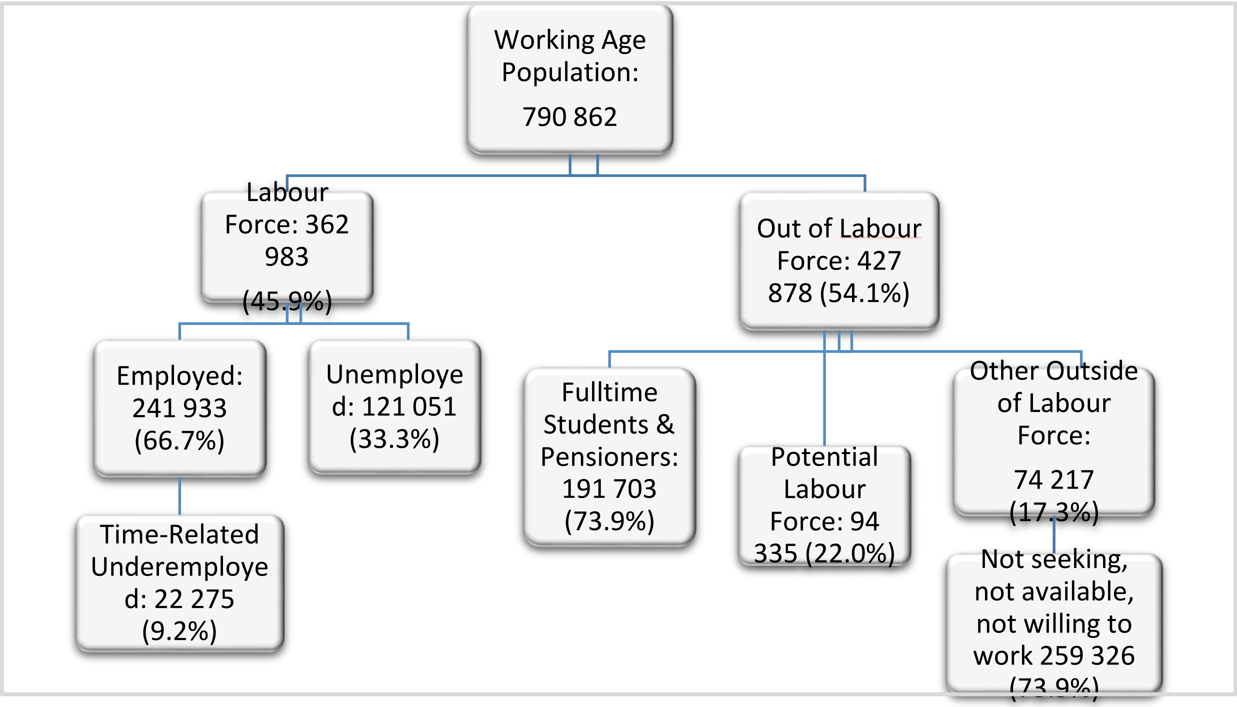
Table 7 Table 3: Social protection interventions required by category of needy households

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

3.3.4. Labour and Employment

Figure 13: 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, stronger, and more inclusive economic growth if properly harnessed. However, it remains elusive with the poor link between the quality and capacity of the education sector and the ability of 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 and that there was no systematic analysis of labour demand and supply projections to inform more responsive skills development. They 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, it has developed the national social security policy (2021) and working on the unemployment benefit scheme and the workers compensation insurance fund.

Labour Market Information: the Labour Survey (2021) have been completed and results disseminated. This includes other studies being conducted with the assistance of ILO.

Private sector resilience: despite 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.

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: of the sports, culture and youth sector, to get the youth involved in sports, arts and culture for livelihood. Investment 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 the country and partners prime amongst 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 lenders 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 and they target both males (e.g. Kwakha Indvodza) and females. Other youth programmes include gender links for empowering males and there are 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 remains 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: the youth unemployment rate has increased by 10.8 percentage points from 47.4percent (2017) to 58.2percent (2021)[9]. The majority of the youth is idle 43.9percent[10], they are experiencing high disproportionate unemployment at 46.2 percent [11] more especially those residing in rural areas is 63.1percent. This state of affairs leads to the youth engaging in illicit activities, risky behaviours such as substance abuse, 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 doubling as head of families and care taking 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.[12]

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 0.24percent. 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 SRHR, 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[13].

[9] Labour Force survey 2021
[10] ibid
[11] ibid
[12] State of the youth report 2015, MoSCYA, UNFPA
[13] National Youth Policy Operational Plan 2022-2025

Lack of skills reuired 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. 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 dialogue between academic and research institutions. Further, a demographic shift is being experienced, with a large and young population group entering the workforce. 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.

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 as resources re-allocated for COVID-19 pandemic and none available for renewal and GIS license, and also 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.

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 over the years. Domestic maize availability was at 95,988 m.t. in 2018 and a positive increase of up to 100,042 m.t. has been realised in the 2020/2021 farming season.[14]

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

Acute seasonal food shortages: affecting the poor and vulnerable occurring through-out the year, with around 336,000 people (29 percent of the population) on average are estimated to be facing high acute food insecurity requiring 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 2021and high food prices. Access to food will be 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 the suppliers, consequently leading to low profit margins being realised by the 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 never been able to produce enough to feed itself and has always relied on imports to meet its consumption requirements. Local maize produce is less price competitive compared to imported grains and local production makes up just 70 percent of the national requirement, despite it being the staple food. Further, a lack of coordination and inefficiencies

[14] VAC 2021 Survey Report

associated with rollout of the input-subsidy programme have reduced its potential impact as farmers fail to get the desired inputs from the suppliers in time.

Post-harvest losses: the country still experience high post-harvest losses (35 percent) indicating large food wastage which exacerbate the food and nutrition insecurity levels in the country. Losses due to aflactoxins 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 wheaten products such as bread to go up thus threatening food security.

Pest and disease incidence: emergency 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 ravaged 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 *absoluta tuta* worm, while the broiler industry was greatly affected by the outbreak of avian influenza causing supplies and prices challenges.

3.4. Efficient Public Service Delivery That Respects Human Rights, Justice & The Rule Of Law

3.5.1. 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 a 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.

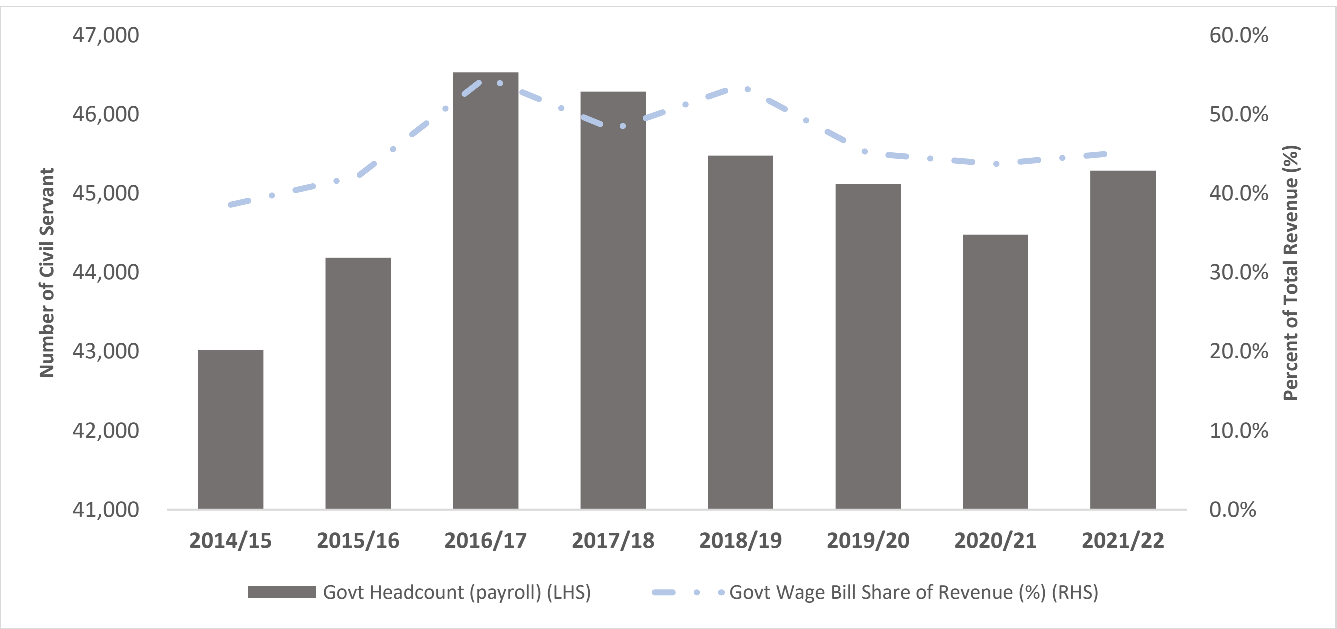
Alternative Service Delivery: the policy is part of the strategies to be employed by the government to contain the public wage bill, including the outsourcing of some services currently offered by government to private providers in order to increase efficiency. The Alternative Service Delivery Policy 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 14: Government head count relative to the wage bill as a share of revenue (%) 2014/15-2021/22



Source: MoF & MoPS

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 accordingly.

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. Moreover, 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 a 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, 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 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 utilizing 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.

3.5. Well Managed Natural Resources & 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 socioeconomic 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 should 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. Government committed to a reduction of 5 percent by 2030 and increasing it to 14 percent if external financing is secured. Critical sectors were identified for adaptation and mitigation. 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.

3.5.1. Water Resources

Key Achievements, Strengths and opportunities

***Access to clean water, sanitation and hygiene*:** the water sector has seen a 13 percent 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 implementation of construction of community 6 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*:** t 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 access 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 of capacity to implement rural water programmes and 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.

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 was 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.

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 has seen the total land area declared as national protected areas grow to 5.6 percent.

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 to have 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 a leading cause of respiratory illnesses in the country[15].

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

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

challenge. There is also fragmented legislation within the biodiversity conservation space while some of the conservation legislation has remained in bills and draft form for over a decade.

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 tool 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 trajectory of the NDMA 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 hydrometeorological 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 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 as a national multi-hazard 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 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.

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 ingredient 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.

3.6.1. Energy

Key Achievements, Strengths and opportunities

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.

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**:** several electricity generation expansion studies have also been undertaken including Maguga expansion feasibility study for 10 MW lower Maguga hydropower as well as the successful completion of the Lavumisa solar PV 10 MW power station.

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 are in conflict with the technological investments being pursued by investors. EIPA engaging MNRE for a review to 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.

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 Swazis 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 is 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 being 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: the government policy to freeze posts and that of emerging responsibilities to ensure compliance within the urban local authorities e.g. procurement, PFM Act requirements. Moreover, the scaling down of operation as a result of fiscal challenges this has resulted in the postponement of major activities

3.6.3. Information Communication Technology

Key Achievements, Strengths and opportunities

Unbundling of Eswatini Posts and Telecommunications Corporationa 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 ECC 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

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 open to traffic. Furthermore, the Lukhula-Big Bend (MR16) and Lonhlupheko -Siteki (MR17) totaling to 50km road network was also upgraded/rehabilitated 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 done is that payments were expected to be made during construction which is contractor to the general PPP policy as understood. That complicated budgeting and the payments due to lack of funding causing projects implementation extending beyond their initial contractual time frames, thus incurring time related costs such as the extended implementation period, penalties and price escalations.

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.

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 mitigate 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 acts promptly. Mainstreaming climate change, environment and disaster risk in the planning and budgeting process is starting with the NDP and to integrate it in all sectoral development programmes. At the same time, resources – both human and financial – must be mobilised from climate change funds to create fiscal space while protecting the environment and ensuring sustainable development. Climate proofing capital projects and integrating climate change during procurement and implementation will be prioritised. In addition, strategies that mitigate the impact of droughts will be prioritised.

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 changes. 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. Furthermore, Eswatini is a high poverty and inequality country with 58.9 percent of the population living below the poverty and of which 96 percent are the rural population. The educational system is believed to be irrelevant and health system non-functional. The society is angry and high tensions. Eswatini one of the countries with the highest rates of HIV/AIDS in the world. As a homogeneous society known for peace and stability, the best option is to re-group and have a national dialogue. The economy was already fragile and struggling. It cannot be sacrificed any further.

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 investments in priority areas of the economy - education, skills development, health, job creation, and good governance. 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 have 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 the AfDB (2015), women a vital leadership role in their communities and nations. They have been integrated in many aspects of society cultural, social, economic and political, they have remained subordinates despite the progress made towards women's and girls' equality in education, employment and political representation over the last 2 decades. As more families are headed by women and children, the family structure is shifting as well as morality and values which impact on the identity as a nation and unity. 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[16], 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 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 are 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 must 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 must 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. It has also disconnected with budgeting systems. 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

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

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.

ICT: 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 are 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 should invest in building a resilient education system using digital solutions in Eswatini to give all children equal opportunities for development and intellectual growth.

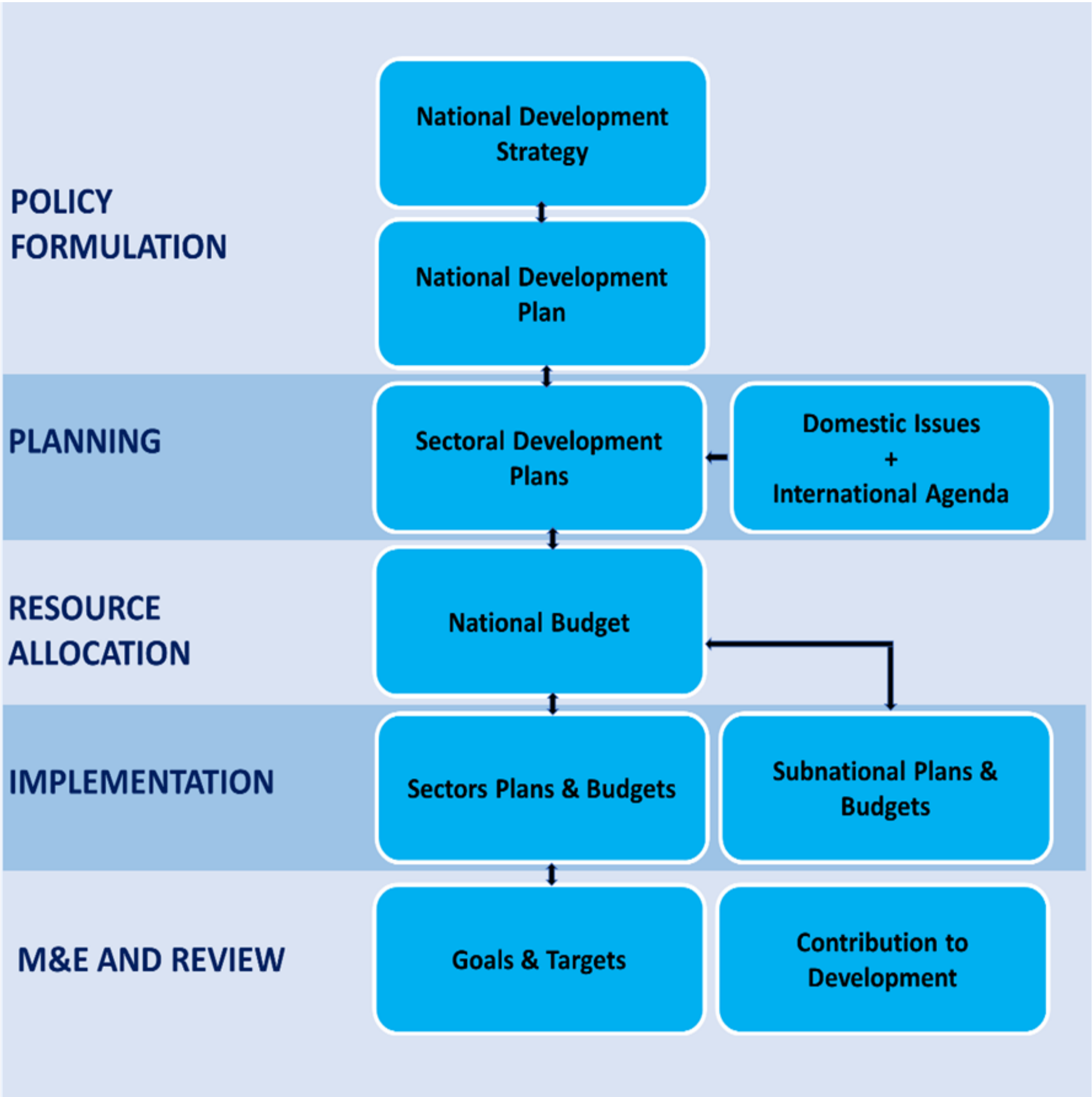
Economic governance: in order to effectively implement the goals in the NDP and to have sound management, improving economic governance must be a key priority. Processes and procedures have broken down and hardly followed resulting in poor governance across MDAs has contributed partly to the current fiscal crisis and hindered progress on reaching socioeconomic goals. An important intervention in this regard is political will to strengthen of 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 highlight as a hindrance. The undertaken skills audit by government gives an insights into the wealth of skills available which industry can tap into. At the same time, reveal the skills that are needed but not available. Government should assist industry to get needed skills through importing those skills while developing those skills through 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 and discontent and anger among the youth, and it is critical to address. 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 marginalized 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. The following strategies, programmes and interventions are set to address these and other issues that affect the youth in the country.

4. Return to National Development Planning

Figure 15: Development Planning Process



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 and NDP is to 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.

The NDP is cognisant of the international commitment on sustainable development based on improved economic performance, people's livelihoods whilst balancing with environmental management, as the only viable way forward for the future of present and future generations. Government is concerned about the food security challenges that will result from the Russian – Ukraine war which is pushing prices of inputs and food significantly due to reduced supplies. Sustainable livelihoods of the nation is 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. Cognizant 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, political 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, on peace and stability, economic growth, fiscal stability, building human capital, developing physical infrastructure and improving the efficiency of administration and quality of services, and boosting sustainable environmental management and disaster preparedness. The Plan is recommending the development of a Growth Strategy to tackle growth related issues. The country has to have political will and implement measures to improve on good governance to retain a favourable image with the nation and development partners and 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 occupied 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 (SWAp) which will improve the planning and budgeting process, but requires significant investment in terms of capacity, instruments/tools, systems, and regulatory framework. This section forms the basis for the planned interventions that were considered when designing this NDP.

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

The strategic focus of this NDP that ensures 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 accessible, jobs are created by a competitive private sector, and the environment is well taken care and preserved for present and future generations. Poverty and inequality is 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 mobility and connectivity.

The Ministry of Economic Planning and Development (MEPD) has produced the current NDP 2023/24 – 2027/28, for 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 should 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 assess of performance and maybe review of policy 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

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[17] has 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 November 2021 as part of complying with the Paris Agreement. The Paris 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 save 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 sustainable and build a solid foundation for the country to grow. All stakeholders have a role to play

[17] 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)

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, improve the quality of life and protect the country's environmental heritage, there is a need to strengthen existing environmental management instruments, design new instruments, follow the best regulatory practices at the international level that allow for efficient regulations, and encourage 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 wellbeing. 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. 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, avoid 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 promotes 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; at the 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 development planning will be suicidal as Eswatini has already experienced disasters which exposed 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 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[18]. Climate change is likely to reduce economic growth in developing countries; significant investments in climate change mitigation and adaptation are necessary.

[18] 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.

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 0.002 percent of the global total emissions, climate resilience, sustainability and equitable development are key priorities. This translates to 1.04 million tonnes, however, evidence exists of 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. The most to suffer are rural communities who are about 73 percent of the population and more than 90 percent of the poor (58.9 percent living below the poverty line), because they 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[19], 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[20] which cover 54 percent of the country are recognised as particularly vulnerable to the effects of climate change, and hence adaptation is essential.

Eswatini is predominantly rural with an estimated 76 percent of the population residing in rural areas. It 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; leading 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 with a rapid rate of urbanisation, there is increasing pressure on the natural environment to derive the materials and energy required to drive economic

[19] 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

[20] 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.

growth. There is, therefore, an urgent and fundamental need for the improved management of natural 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 in helping the country transition to a more resource-efficient, climate-resilient, and low carbon economy. Taking cognizance that climate change affects all sectors of the economy, Eswatini has prioritised investing in adaptation and mitigation and identified the following sectors for protecting the nation from the harmful impact of climate change as well as reducing carbon footprint/GHG emissions.

Adaptation	Mitigation	Cross-cutting
▪ **Agriculture, Biodiversity & 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:

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.
- Reduce poverty and improve food and nutrition security through sustainable use of natural resources, improved access to markets and improved disaster and risk management systems.

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.

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 programs 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.

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.

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.

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.

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.

Industrial Processes and Product Use (IPPU)

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

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.

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 lobe 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 wellbeing 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 including 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
- Climate adaptation: protecting the nation from the impact of climate change

Policies must to pay specific attention to the impact that it will have and many of the social issues and equity concerns that can arise as a direct result of greening the economy. Changes should 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 should 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, financing framework to develop an optimal green growth strategy as envisaged in national Outcome 1;
- Enhance economic growth while creating increased 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 reuse, 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 of 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 to protect the peg with the Rand and cushion country against external shocks.

The macroeconomic framework for the Plan has been designed to put 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 bring 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 of economic growth through diversification. Achieving an accelerated economic growth rate to gradually reach 5%;

(ii) Fostering price stability by maintaining core inflation within the target band of 3 -6% (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 reduction in expenditure of 4.6 percent of GDP and raising revenues by 1.9 percent of GDP; a ceiling on debt to GDP of 50 percent however, to gradual return to 35 percent of GDP by end of Plan period; and a gradual achievement of a fiscal deficit of less than 5 percent by FY 2023/24.

(v) Overcoming energy uncertainty and ensuring smooth and affordable energy supplies by the end of the Plan period.

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

Table 8: Macroeconomic Framework - Selected Economic and Financial Indicators (2017/18 – 2024/25)

Indicator	2017/18 act.	2018/19 act.	2019/20 act.	2020/21 act.	2021/22 est.	2022/23 Prj.	2023/24 Prj.	2024/25 Prj
E' Million unless otherwise indicated								
REAL SECTOR								
Nominal GDP	**59,464**	**62,582**	**65,080**	**67,224**	**73,940**	**79,392**	**85,438**	**92,292**
Consumption	***53,635***	***54,990***	***56,185***	***59,662***	***67,694***	***73,132***	***77,853***	***83,343***
Private	39,000	40,779	41,875	44,759	52,795	58,332	62,589	68,080
Government	14,635	14,211	14,310	14,904	14,898	14,799	15,264	15,264
Investment	***7,694***	***8,342***	***8,708***	***6,225***	***7,631***	***7,194***	***7,489***	***8,853***
Private	3,512	5,055	4,309	937	2,344	2,031	3,039	4,167
Government	4,182	3,287	4,399	5,287	5,287	5,163	4,451	4,685
Net Exports	***(940)***	***(1,364)***	***1,753***	***1,337***	***(1,385)***	***(933)***	***96***	***96***
Exports	25,398	26,150	29,606	22,095	30,726	33,290	36,427	36,427
Imports	26,338	27,514	27,853	20,758	32,111	34,223	36,332	36,332
Real GDP (2011 Prices)	**41,003**	**42,003**	**42,619**	**42,641**	**44,761**	**45,870**	**47,193**	**47,193**
Inflation (%)	**5.5**	**5.0**	**2.9**	**3.9**	**3.8**	**4.2**	**4.1**	**4.1**
FISCAL SECTOR								
Total Revenue & Grants	**16,785**	**15,684**	**17,772**	**18,806**	**18,649**	**19,364**	**21,795**	**22,353**
SACU Receipts	7,109	5,844	6,318	8,349	6,375	5,818	7,500	7,500
Domestic Revenue Collections	9,140	9,385	11,023	11,080	12,117	12,873	13,884	14,442
Grants	536	455	552	234	157	673	411	411
Total Expenditure	**20,350**	**20,014**	**21,772**	**23,245**	**21,552**	**23,998**	**23,924**	**23,827**
Wage-Bill	8,073	8,412	8,064	8,374	8,692	8,881	9,088	9,265
Goods & Services	3,224	2,850	2,850	2,898	2,377	3,099	2,667	2,860
Interest Servicing	691	822	1,343	1,444	1,310	1,121	1,756	1,794
Capital Expenditures	4,028	3,337	5,759	4,999	3,483	5,327	4,912	4,363
Other Expenditures	4,326	4,576	5,386	5,878	5,690	5,570	5,501	5,545
Overall Budget Balance	**(3,565)**	**(4,330)**	**(4,000)**	**(4,438)**	**(2,902)**	**(4,634)**	**(2,129)**	**(1,474)**
Arrears Repayment(+)/Accumulation(-)	**(901)**	**(971)**	**(2,971)**	**(2,287)**	**(986)**	**(2,695)**	**(2,508)**	**(1,645)**
Public Debt Stock (excl. Arrears)	**13,019**	**16,615**	**20,453**	**26,121**	**29,984**	**32,306**	**33,342**	**33,978**
Domestic	7,683	10,235	11,808	15,754	17,470	16,548	16,452	16,465
External	5,336	6,380	8,645	10,367	12,514	15,758	16,889	17,513
EXTERNAL SECTOR								
Current Account Balance	**2,389**	**1,034**	**2,852**	**3,676**	**2,198**	**708**	**2,810**	**3,439**
Trade Balance	***(893)***	***(1,314)***	***1,893***	***1,352***	***(1,385)***	***(933)***	***96***	***96***
Exports	25,412	26,163	29,581	29,591	30,726	33,290	36,427	36,427
Imports	26,305	27,477	27,688	28,239	32,111	34,223	36,332	36,332
Primary Income Balance	***(4,143)***	***(4,816)***	***(6,769)***	***(6,809)***	***(5,141)***	***(5,844)***	***(5,982)***	***(4,823)***
Credit	2,177	1,875	1,767	1,768	2,007	2,119	2,209	1,726
Debit	6,319	6,691	8,536	8,577	7,148	7,962	8,191	6,549
Secondary Income Balance	***7,424***	***7,165***	***7,728***	***9,133***	***8,724***	***7,485***	***8,696***	***8,461***
Credit	7,949	7,636	8,212	9,718	9,156	8,001	9,111	8,829
Debit	525	471	484	584	432	516	415	368
Gross Official Reserves Stock	**6,658**	**4,565**	**6,632**	**9,225**	**7,022**	**8,253**	**9,509**	**10,272**
Months of Import Cover	*3.0*	*2.0*	*2.8*	*4.0*	*2.6*	*2.9*	*3.0*	*3.0*
MONETARY SECTOR								
Discount Rate (%)	6.75	6.75	5.50	3.75	4.00	5.00	6.00	6.25
Velocity (Nominal GDP / Broad Money)	3.43	3.47	3.54	3.17	3.48	3.46	3.44	3.43
Money Multiplier (Broad Money / Reserve Money)	6.96	5.65	5.27	4.86	4.86	4.86	4.86	4.89
Non-Performing Loans Ratio (%)	7.2	7.9	7.0	6.0	7.4	7.4	7.4	7.4
Memorandum items								
Population (annual -millions)	1,120	1,134	1,147	1,160	1,174	1,188	1,202	1,217
Exchange rate	13.24	14.48	16.48	14.49	16.00	16.4	16.8	16.3

Source: Macro Forecasting Team (MEPD, CBE)

The current macroeconomic framework reflects the resource envelope for the financial year 2022/23 – 2024/25, 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 three-year period are guided by the Fiscal Adjustment Plan which is the desired link between planning and budgeting, as 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 happen.

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 and 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 private sector development that could lead to rapid employment growth and rising standards of living. Thus the Plan seeks to put the economy on the path of sustained long-term economic growth. In this context, the key areas of focus include: public private partnership in the development process, improved productivity in agriculture and livestock sectors, enhanced industrial competitiveness, better service delivery systems, and upgraded human capital formation. This is because government policies, in both their design and implementation, significantly affect the performance and development of different sectors, as well as citizens.

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 FAP targets both expenditure cuts and revenue enhancement is projected to improve the fiscal position in the medium-term, and it is to reduce the expected overall balance to a deficit of less than 2.0 percent of GDP, while stabilising public debt around 38.0 percent of GDP. Total revenue including grants is expected to average 24.7 percent of GDP per year over the next 3 fiscal years. A slightly high increase is expected in the financial year 2023/24 where total revenue is expected to be 25.5 percent of GDP, equivalent to an estimated E21.795 billion increasing from an estimated E19.364 billion. 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 three year period. The major risk to this baseline is defaulting on the full implementation of the fiscal adjustment plan as well as the geo-political 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. The total resource envelope for FY 2022/23 – 2024/25 is estimated at E63.51 billion.

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 28 percent of GDP over the Plan period, with an initial increase of 11.1 percent in FY2022/23 and remain constant over the two year period – FY 2023/24 to FY 2024/25. In FY 2022/23 specifically, total expenditure is expected to rise by 11.3 percent, from E21.55 billion in 2021/22 to E23.998 billion. The capital programme declined from an outturn of E4.999 billion in FY2020/21 which was driven by increased spending for health sector due to COVID-19 pandemic, to E3.483 billion in FY2021/22. The budget was reallocated to mainly the health, water and education sectors, and the health sector undertook a lot of construction to complete and rehabilitate facilities to mitigate against infection and treat those infected. It is expected to increase by E1.844 billion in FY2022/23, primarily driven by a large increase in foreign financed projects such as the parliament building.

Further, the implementation rate of capital projects in FY 2021/22 was much slower than initially budgeted for because of the fiscal crisis, including for externally financed projects. However, budget support was received from the IMF and WBG which assisted in reducing arrears from E5.3 billion in March 2020 to E2.6 billion in March 2022. As a result, capital expenditures are growing off a higher FY 2020/21 base. Inflationary pressure is another primary driver of the increase in total expenditures, with debt servicing declining from E1.311 billion to E1.211 billion in FY2022/23 before rising up again to E1.756 billion in FY2023/24. Goods and services expenditures anticipated to increase by E722 million (30 percent growth) due to increased road maintenance. Despite a freeze on hiring and salary adjustments, regular notching and promotions will result in the compensation of employees rising by E88 million (2 percent growth). Finally, interest obligations continue to grow with increasing public debt in the outer two years due to the budget support received from IMF, World Bank and AfDB, adding an additional E545million (45 percent growth) in interest payments in FY 2023/24.

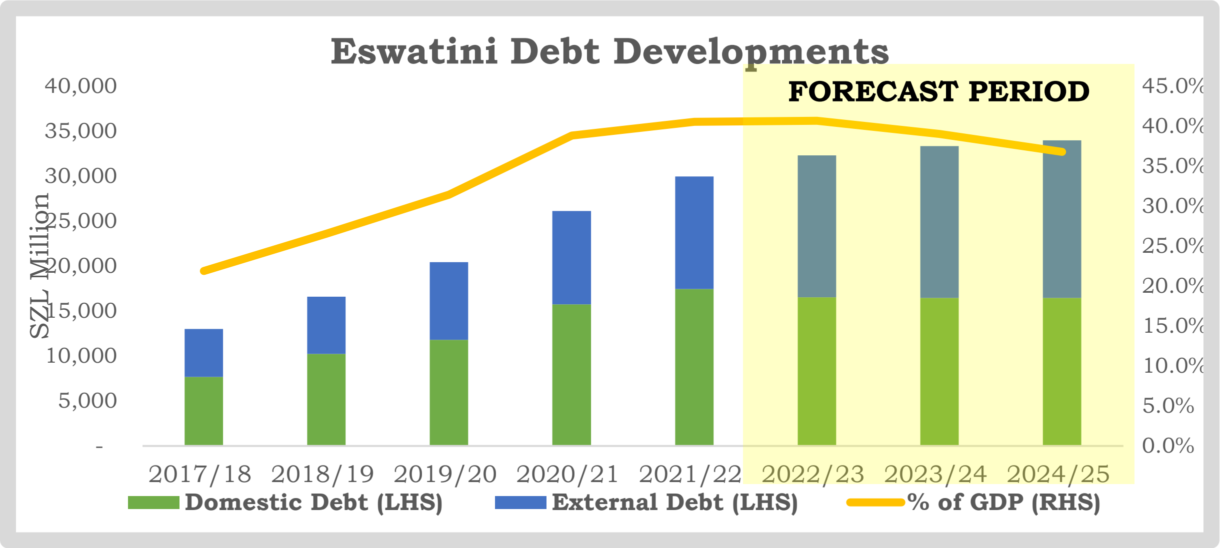
Fiscal Balance Outlook: Total expenditures for FY 2022/23, are expected to amount to E23.2 billion, or 30.2 percent of GDP, while total revenues will reach E18.7 billion, or 23.8 percent of GDP, a decrease of 2 percent from FY2021/22. This will result in a 4.8 percent deficit as a percent of GDP, or 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 and World Bank amounting to USD100m (about E1.5 billion) to cover part of this deficit, and bringing the total expected public debt stock to 43 percent of GDP in May 2022. Nonetheless, this amount of debt does not include 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 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, the rate at which debt is growing, is a great concern especially as it is budget support and not project financing. There is no assurance of investment for future growth. Revenue growth is anticipated and indicative of showing improvements, still remains subdued and cannot yield all the required financial resources to meet the required development needs. Otherwise, more cuts in spending will be expected during the NDP period to achieve a deficit averaging less than 5.0 percent of GDP if there is no increased revenue to meet the level of expenditures.

Government continues to acquire more debt as a means to meet the financing needs and has been increasing over the last three years. The FAP is a first step in fiscal policy reforms aimed at cutting expenditures, enhancing revenue collections, and improving debt management. However, options seem scarce for financing anticipated spending levels thus unless restrained by running down expenditures, debt is at risk to rise, or alternatively, continued accumulation of arrears and reduced service delivery.

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 40.7 percent of GDP in FY2022/23to 36.8 percent of GDP in FY 2024/25. Consequently, the Government should commit 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 done 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 operationalise to improve public finance management. This will allow the desires of NDP to be realised without compromising macroeconomic stability.

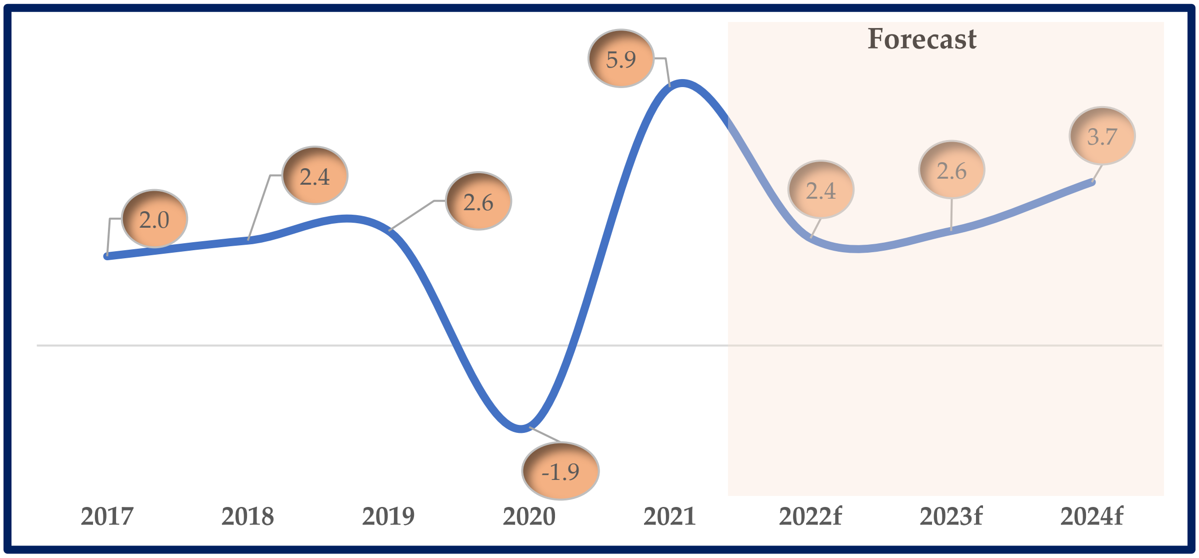
Figure 16: Total Public Debt – Domestic & External and % of GDP



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. Real GDP growth is projected at 2.4 percent in 2022, 2.6 percent in 2023 and 3.7 percent in 2024 reflecting the implementation of the government's three-year fiscal adjustment program. 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 - 2024f (percent)



Source: Central Statistical Office & Macro Forecasting Team

On the contrary, private investment has remained very low (23 percent of GDP) 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 geo-political tensions.

As discussed in Chapter 4 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 a substantial fixing of 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 agro-business sector will be developed through vertical integration to reach high-end international markets. As 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 is 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 geo-political 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 improve from a surplus of 0.9 percent of GDP in FY 2022/23 to 3.3 percent in FY 2023/24. Exports and imports are remaining constant in terms of GDP but exports are showing a slight improvement in 2023/24. The improvement is on account of relatively improvements in exports resulting from growth in economic activity. There is potential for exports growth from expansions of companies and few new companies in manufacturing sector due to planned government's interventions in attracting investment and in promoting agro-processing. Exports are projected to increase from 41.9 percent in 2022 to 42.6 percent of GDP in 2023 to decline slightly to 39.5 percent of GDP in 2024. On the other hand, imports are expected to decrease gradually from 43.1 percent of GDP in 2022 to 39.4 percent of GDP in 2024 with exports slightly larger. 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 equivalent to an 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 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. But this depends on the successful implementation of the FAP.

Setting the country's policy framework continues to be at the forefront and accommodate the integration of policies for sustainable and inclusive growth. Boosting long-term economic growth through the implementation of structural reforms is crucial to support of government's ability to deliver resilience and cushioning of future shocks.

Therefore, the macroeconomic framework sets the strategic objectives of the NDP: (i) achieving good governance and political will to commit to the implementation of reforms; (ii) sound macroeconomic management mechanism that will allow for fiscal consolidation in the short- to medium-term; (iii) ensure an enhanced and more dynamic private sector that supports employment generating economic growth especially for the youth; (iv) foster social and human capital development to nurture a skills-base that is productive and able to adopt and adapt innovative technology; (v) re-engineer the public service to a centre of excellence for an efficient service delivery that respects and promotes peace, human rights, justice and the rule of law; and (vi) 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.

THE NATIONAL DEVELOPMENT PLAN 2023/24 – 2027/28

THE NEXT FIVE YEARS

The development of the NDP 2023 – 2027 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 require attention. The Plan is formulated with attention on good governance underpinned by political will to implement policy reforms as the centrepiece of all development efforts. 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 with what matters most to the people, which includes meeting basic needs, creating decent jobs, small businesses, the cost of living, family wellbeing, and national unity. Government is cognisant of the of climate change risks and have taken those into consideration as it impacts 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 a strategic in that it presents another opportunity for government to deliver on the aspirations and desires of the Swazi people. 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 a state of despair towards a growing economy and inclusive nation.

In line with this, the Plan aims to achieve the following national outcomes based on committed implementation of strategic programmes at sectoral level.

Table9: Key NDP Outcomes & Issues

NATIONAL OUTCOME	KEY ISSUES	SECTORAL OUTCOMES
Good Governance, Economic Recovery & 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 & Dynamic Private Sector Supporting Sustainable & Inclusive Growth	▪ Business environment ▪ Agriculture and high value crops ▪ Value addition and processing	▪ Re-Engineering economic growth for recovery ▪ Strengthened business environment ▪ Increased employment- stimulating investment ▪ Dynamic entrepreneurship and MSMEs fostered

NATIONAL OUTCOME	KEY ISSUES	SECTORAL OUTCOMES
	▪ Trade and regional integration ▪ Innovation, research and development	▪ Modernising agriculture for increased production and value addition ▪ Climate smart investment
Enhanced Social & Human Capital Development	▪ Education ▪ Health ▪ Agriculture, Food security and nutrition ▪ Potable water, Sanitation and hygiene ▪ Social cohesion and National unity ▪ Youth empowerment ▪ Shelter/housing ▪ Vulnerable groups ▪ Poverty reduction ▪ Social safety nets	▪ Improved access to quality health & health- related services ▪ Improved access to quality, relevant & inclusive education & 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 at national and regional levels ▪ 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 Swazis
Efficient Public Service Delivery that Respects Human Rights, Justice & the Rule of Law	▪ Provision & quality of government services ▪ Public sector reform – modern, efficient, effective, honest, productive; accountable and transparent ▪ Decentralisation ▪ National security and public safety, peace & stability ▪ Separation of powers & roles ▪ Rule of law and human rights ▪ ID registration as an enabler	▪ Transformed public sector to be an efficient, productive, dependable & modern service provider ▪ Investing in a secure and safe country and living environments for urban and rural communities ▪ Strengthened implementation & enforcement of human rights, law & order & constitutionalism ▪ Enhanced service delivery with focus on improving citizens livelihoods ▪ Rural and community development
Well Managed Natural Resources & Environmental Sustainability	▪ Natural resources management ▪ Climate change ▪ Environmental management	▪ Improved access to safe drinking, water management & sanitation ▪ Improved Land Use Planning & Management ▪ More Equitable, Inclusive, Sustainable & Appropriate Management of Natural Resources ▪ Improved National & Community Resilience to Climate Change and Natural Disasters

NATIONAL OUTCOME	KEY ISSUES	SECTORAL OUTCOMES
	▪ Disaster risk management ▪ Waste disposal and management	▪ Clean & Safe Environment & Sustainable Use of Natural Resources Enhanced ▪ Strengthening the enabling environment for green growth
Efficient Economic Infrastructure Network and Innovation	▪ Construction and maintenance of infrastructure ▪ Water ▪ Energy ▪ ICT ▪ Roads, rail, aviation ▪ Urbanisation & housing	▪ Upgrading physical infrastructure to enhance access and connectivity to support socio-economic development ▪ Improve coverage, quality, reliability and affordability of digital infrastructure and services ▪ Improve coverage, quality, reliability and affordability of digital infrastructure and services ▪ Establish sustainable secure, clean and affordable energy sourcing to support growth ▪ Continuing investments in a new water services industry framework

CHAPTER 4 – Good Governance, Economic Recovery and Fiscal Stability

National Outcome 1 - Good Governance, Economic Recovery & Fiscal Stability	Sectoral Outcomes	Strategies
	1 – Sustainable and Inclusive Growth	1. Develop a climate-smart and green growth strategy 2. Economic diversification and value addition 3. Harness technology to address low productivity constraints 4. Improve the business environment
	2 - Stop the Bleeding: Fiscal Crisis Stabilised	1. Implement the mixed strategy fiscal adjustment plan constituting of reducing expenditures and increasing revenues 2. Strengthen controls on commitments & extra-budgetary expenditures 3. Explore alternative sources of financing 4. Arrears accumulation eliminated 5. Public investment driven by viability and development benefits 6. Zero tolerance on corruption 7. Reduce ministries and state-owned enterprises
	3 - Improved Fiscal Expenditure Management	1. Alignment of capital & recurrent expenditures to NDP targets 2. Strengthen public finance management processes & budget controls 3. Stabilise the public wage-bill and contain recurrent expenditures 4. Review parastatals to reduce subventions & increase dividends 5. Improve quality of the public investment programme 6. Enhance budget planning, monitoring & information systems
	4 – Risks on the Resource Envelope Mitigated	1. Enhanced domestic revenue mobilisation & mitigated reliance on SACU receipts 2. Improve management & administration of SACU receipts 3. Stabilise public debt and managed debt servicing cost 4. Enhance cash-flow planning & management 5. Mitigate external & financial risks & maintain reserves buffer
	5 - Clarity on the Role of the Public Sector Restored	1. Review & clarify the roles & mandates of ministries, departments & parastatals 2. Evidence-based policy making to drive resource utilisation decisions 3. Examine government's approach to market interventions 4. Re-focus capital expenditures on positive development outcomes 5. Improve coordination & dialogue amongst stakeholders 6. Create an enabling environment for private sector growth and sustainable livelihoods

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 plunging the economy into a historic recession and putting pressure on the fiscal position characterized 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 widening fiscal gap the government has resorted to the accumulation of debt and arrears, with arrears becoming a normal occurrence in the public financial accounts.

The frail macroeconomic situation and absence of fiscal prudence has been underpinned by the lack of good governance principles linked to poor public finance management and investment decisions, coupled with poor adherence to proper planning and budgeting processes, weak cohesion across government or a multi-sectoral approach, and a lack of clarity on role of the public sector. In addition, increase on 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 economy activity in the country. Poor governance and weak public sector cohesion has led to growing inefficiencies in government service delivery.

The advent of the COVID-19 pandemic derailed any progress made towards achieving most developmental outcomes as it affected the implantation of the NDP framework, with all resources diverted towards combating the spread of the virus. However, the pandemic came with a silver lining by providing an opportunity for the government to commit to the fiscal reform agenda as it had drifted into an untenable path. The development outcomes remains 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 resuscitate economic growth and stabilise the fiscal crisis - "stop the bleeding". Under macroeconomic stability, the resuscitation of economic growth requires a deliberate effort by government to develop a growth strategy as a policy direction which will focus on eradicating all the structural bottlenecks which inhibit growth as well as streamline the growth drivers in the domestic economy. On fiscal prudence, the fiscal crisis needs to be stabilised and government must reform through the execution of a mixed strategy fiscal adjustment plan focusing on both expenditure cuts and revenue mobilisation. This will reduce the fiscal deficit and further stabilise debt through the elimination of arrears, thus bringing the fiscal position to a sustainable trajectory. Furthermore, it is essential to improve expenditure management controls with zero-tolerance on corruption, diversify the resource envelopment as well as clarify the role of public sector in order to improve on the coordination across the government and on good governance. All these must be achieved within the next 3 to 5 years in order to stimulate long-term economic growth as well as bring 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, rather than lead and be the main player. 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 4.1 – Sustainable and Inclusive Growth

The Eswatini economy has been experiencing stagnant growth since the early 2000's and the economy continues to be concentrated in a few sectors. Moreover, Eswatini is a small and open economy which is export-oriented with a majority of its products concentrated in the RSA market - about 69 percent of exports and about 74 percent of its imports. This has made the economy heavily dependent on the performance of the RSA economy as it a major trading partner. Moreover, 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 coupled with lack of value addition has left Eswatini exposed to numerous external shocks such as climatic shocks such as (droughts, floods, wildfire and other climate - driven hazards, as well as changing market dynamics, among others. Furthermore, diminishing capital investment have also compounded the whining growth situation as gross capital formation has fallen from 23.5 percent of GDP in 2000 to 12.8 in 2020. In order to mitigate the diminishing economic growth challenge, the government has to intentionally invest in long-term growth that guarantees sustainable and inclusive development through a structural economic reform, in the form of a growth strategy that complements the existing fiscal and monetary policy initiatives already in place. Well-designed national development efforts - where achieving coherence is identified as a priority from the outset - can also work together to contribute to climate change mitigation, building resilience, and achieving broader socio-economic objectives by stimulating action in key sectors like energy, transport, power, agriculture and food, urban planning, trade, and land use. The enhanced and more ambitious NDC adopts an economy wide GHG emissions reduction strategy to help achieve a low carbon and climate resilient development pathway for Eswatini.

Key Sectoral Outcome Targets	▪ Target an annual GDP growth of 5 percent. ▪ Increase agricultural value addition to contribute 15 percent of GDP. ▪ Increase manufacturing value addition to contribute 40 percent of GDP. ▪ Integrate climate change and environmental issues into the national development planning processes
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 across all developmental sectors and programmes
Strategy 2 – Economic diversification and value addition	▪ Identify sectors where the country has comparative advantage and develop support mechanisms for them ▪ Invest in programmes that support agricultural value addition and value chains ▪ Invest in product diversification through value addition

	▪ Protect infant domestic industries for a certain time period in order to grow ▪ Leverage on markets where there is preferential treatment ▪ Explore and diversify potential regional markets
Strategy 3 – Harnessing technological advancement	▪ Invest on research and development to increase productivity and product variety. Harness productive technology to bolster production ▪ Invest in the automation of some 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 4.2 – Stop the Bleeding: Fiscal Crisis Stabilised

The current fiscal position has become unsustainable and poses a great threat to the economy at large and government programmes. The continued running of a fiscal deficit over the past years has resulted in an accumulation of arrears dating back as far as the 2016/17 financial year and have put some private sector service providers into bankruptcy. This has in turn resulted in the cashflow challenges which have led to the drawdown of reserves to financing government operations. Gross official reserves have been recently maintained within the international benchmark of 3-months of import cover. However, they have been consistently below the regional target of 6 month of import cover required by the SADC convergence committee. The situation has been further exacerbated by poor public financial management (PFM) processes that have allowed spending obligations to increase outside of budgeted amounts. Given that the government has committed to a 3-year fiscal adjustment plan equivalent to 4.6 percent of GDP commencing from 2021/22 to 2023/24 the fiscal situation is anticipated to improve with the fiscal deficit changing into a surplus by end of the adjustment plan.

The mixed strategy fiscal adjustment plan that constitutes increasing revenues and reducing expenditures in order to attain fiscal consolidation. Revenue mobilisation measures are estimated to contribute 1.9 percent of GDP while expenditures are proposed to be curtailed by 4.6 percent of GDP in the reform period. The proposed reforms under revenue enhancement include increasing the basket of VAT products by including eggs and dairy products, in addition to standard rating of electricity, improving administrative efficiencies for some taxes as well as increasing fuel tax. Whereas, the proposed measures for expenditures are expected to affect both recurrent (wage bill, goods & services as well as transfers) and capital expenditures. Specific to the wage bill, some of the proposed measures include the use of alternative service delivery mechanisms for some services, effecting a hiring freeze and abolishment of redundant posts, and offering a cost of living that is below inflation. With regards to transfers, the proposed measures include merging and privatising some state-owned enterprises (S.o.Es). On the goods and services side, the proposed adjustments are expected to be efficiency measures through the termination of trading accounts and other efficiency measures. On the public investment aspect, 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 ▪ No un-financeable budgets passed ▪ Public debt stabilised at 38% of GDP, and ultimately to 35% of GDP in 2027 ▪ Reduced corruption indicators

Strategy	**Programmes / Intervention**
Strategy 1 – Expenditure prioritisation and cuts	▪ Cut both recurrent and capital expenditures by 4.6 percent of GDP in a period of 3 years ▪ Maintain hiring freeze and award a cost-of-living adjustment below inflation ▪ Implement the early voluntary retirement scheme to reduce the public headcount ▪ Prioritise completion of ongoing capital projects with limited scope for new projects. New project financing to be based on viability and expected socio-economic benefits and not political influence ▪ Curb transfers to parastatals by exploring which are eligible for merging or privatisation ▪ Abolishment of trading accounts to have a fixed allocation
Strategy 2 – Strengthen controls on commitments and extra-budgetary expenditures	▪ Implement comprehensive commitment control system ▪ Ensure that the total value of tenders granted are 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 1.9 percent of GDP in a period of 3-years (FAP) ▪ Investigate further revenue generating measures along with impact analyses ▪ Investigate administrative costs of collecting particular revenues (e.g. graded tax) against revenue brought in ▪ Pass the Finance Bill to boost revenue enhancement measures ▪ Tap into global financial funds (Green Climate Fund, Education Fund, Global Fund) ▪ Meet precedents to gain continued access to current Global Funds (e.g. MCC) ▪ Modify income taxes to ease burden on low-income individuals ▪ Modify exemption list for VAT
Strategy 4 – Utilise further sources of financing	▪ Selectively sell off some government assets ▪ Engage external partners and international organisations for budget support ▪ Increase engagement with lenders and build lender confidence ▪ Build human and institutional capacities to access international and regional sources of climate finance ▪ Utilise lending only for the intended purposes
Strategy 5 – Implement arrears clearance strategy	▪ Operationalise the arrears clearance strategy ▪ Stocktaking and verification of arrears ▪ Implement the payment plan developed for clearing of arrears ▪ Prioritise repayment of arrears and 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	▪ Sort out and harmonise the legal frameworks between the Anti-Corruption Commission and the Human Right Commission ▪ Adopt and execute the draft National Anti-corruption Strategy

	▪ Develop a National Forum to address corruption issues ▪ Legitimise whistle blower legislation ▪ Prioritise corruption as a cross-cutting issue

Sectoral Outcome 4.3 – Improved Fiscal Expenditure Management

The prevailing fiscal situation highlights pre-existing issues on long-term economic mismanagement 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. 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 (Act #10 of 2017) and the re-introduction of national development planning can provide solutions to addressing misalignments issues between the budget and NDP. More precisely, budget planning and expenditures allocations must be based on NDPs and sector development strategies, and cohesion across expenditure lines should be developed through top-down strategies. The PFM process must 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 50% of total expenditures by 2023/24, from 54.5% in 2021/22. ▪ Appraisals of all future capital expenditures and only projects with a positive net benefit to be accepted.
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 ▪ Full costing and prioritisation of all potential programmes ▪ Strengthen coordination of capital expenditures and recurrent expenditures.

Strategy 2 – Strengthen Public Finance Management processes and budget controls	▪ Medium term fiscal framework must be taken from the macroeconomic framework since it is a component and to draw linkages with performance of other macro indicators ▪ 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; ▪ Utilise the NDP to establish national and sectoral priorities for budgeting and to establish fiscal objectives and ceilings ▪ Create efficiencies and greater controls in Government procurement ▪ Improve reporting and oversight of donor funded projects
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 ▪ Restructuring of ministries, departments and agencies where efficiencies can be created and review organisational structures ▪ 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 significancy of parastatals with the aim of decreasing subventions and increasing dividends	▪ Comprehensive review of all parastatals to assess the effectiveness and efficiency of parastatals in achieving their outcomes ▪ Merge parastatals with similar mandates and privatise where possible or revert to ministries as departments where appropriate ▪ assess the capacity of parastatals to pay dividends to central and ensure they comply ▪ Consolidate parastatal debt obligations with central planning and debt management considerations ▪ Consider privatisation of some commercial parastatals
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 ▪ To qualify for budget allocation, re-orientate capital expenditure to focus on higher impact and higher return projects ▪ 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 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 capital planning, budgeting and monitoring systems ▪ Evaluate completed projects to establish their socioeconomic 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 an prime activity for planning and budgeting ▪ Build capacity for forecasting and macroeconomic frameworks by strengthening the macroeconomic division

	▪ Establish 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 4.4 – Risks on the Resource Envelope Mitigated

SACU receipts form an integral part of the government's source of revenues collection. However, these receipts predominantly depend on import duties collected from the SACU member states and are shared amongst countries using a revenue sharing formula. Despite being a significant source of funds, this source of government revenue stream has been highly volatile, moreover, Eswatini's share has been declining gradually as duty rates are at risk with increasing trade liberalisation. These has posed serious cash-flow challenges as historical increases in obligatory expenditure have grown in line with SACU receipts. Therefore, a sharp drop in SACU receipts will lead to a fiscal crunch as expenditures have outgrown the pace of revenue mobilisation requiring debt to cover the fiscal gap. Additionally, the public debt stock has increased drastically to fill this gap, and arrear accumulation has become an ever-present line in the public finances. This has further put more pressure on gross official reserves as they have been drawn down rapidly without replenishing in order to finance oblationary expenditures. 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.

The government must rely increasingly more on generating domestic sources of revenue and using those revenues for funding permanent recurrent expenditures, while channeling SACU revenues towards short-term obligations. Further measures can be taken to reduce the volatility in SACU receipts, including establishing a stabilisation fund. Given the rising debt-levels and interest payment-obligations, there is a much greater need to establish improved debt management measures and to ensure that future debt is only committed subject to a specific justifiable purpose/obligation and its impact on debt-sustainability. The government will take a long-term view to cash-flow management inconsideration of future expenditure commitments beyond the current fiscal year and likely future risks. Finally, maintaining an adequate level of reserves must remain a priority to mitigate risks, as well as ensuring a sound monetary system is kept.

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. ▪ Total public debt stock maintained at or below 35% of GDP. ▪ Gross official reserves accumulated to above 4 months of imports by 2021/22. ▪ Inflation maintained to within the Common Monetary Area target of 3-6%.
Strategy	**Programmes / Intervention**

Strategy 1 – Domestic revenue generation strengthened reducing risk of volatility of SACU receipts	▪ Assess current tax system 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.
Strategy 2 – Improve management and administration of SACU receipts	▪ Establishment of a stabilisation fund ▪ Link SACU development funds to specific projects ▪ Forecast scenarios and plan for potential repayment risks ▪ Utilise the competence of local SACU Task Team to bolster Eswatini's positions on SACU issues when engaging the SACU Secretariat ▪ Investigate measures used in other countries to balance volatile revenue sources
Strategy 3 – 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 adequately planned for.
Strategy 4 – Enhance cash-flow planning and management	▪ Finalise and operate in full the Integrated Financial Management Systems (IFMIS) ▪ improve on cash-flow management measures through enhancing detailed and longer-term cash-flow and budget planning, including improved forecasting ▪ Improved coordination between stakeholders for greater oversight over potential future obligations including expenditure and debt management
Strategy 5 – Mitigate external and financial risks and maintain reserves buffer	▪ Maintain gross official reserves above 4 months of import cover ▪ Maintain inflation to within 3-6% target band ▪ Continue to improve regulatory framework in financial sector ▪ Support FSRA and Central Bank in maintaining a strong financial sector ▪ Build essential food reserves for food security purposes and reduce external shocks ▪ Review of financial sector and related regulations

Sectoral Outcome 4.5 – Clarity on the Role of the Public Sector Restored

The public sector continues 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 revaluation of public sector participation is necessary to warrant if it is still relevant and addressing their desired need effectively across all sectors. Moreover, it is also time to reevaluate institutional arrangement in terms of the numbers of ministries, fully considering the increasing duplication 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.

The need for 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 lack of evidence-based policy as well as poor policy implementation across the public sector has often rendered policy making ineffective due to lack of assessment of policy impact. This also goes for large public investment projects in which government has ventured into, should be selected with caution to ensure they have a multiplier effect of the economy and stimulate long-term growth. If key objectives 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 improve lives of people who are disadvantaged by ensuring that their livelihoods are improved. Moreover, deliberate intent to address market failure and bottlenecks is necessary in the development of policy interventions and creating an enabling environment for private sector, groups and individuals. However, sometimes the cost of government market intervention has welfare losses on the people, where a softer approach would have been more effective. It is essential for assess performance and quantify the welfare losses induced by a shift in the policy direction. The type of remedial policy is also critical, as often a lighter or indirect approaches can be cheap, less risky and often more effective.

Greater stakeholder engagement assists to get feedback and identify any desired policy changes, clarify the roles of all parties in given situations and will improve 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 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 arrangement to curb corruption and promote transparency in service delivery.

Key Sectoral Outcome Targets	▪ Reduce the number of ministries and SoEs in FY 2023/24. ▪ 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. ▪ Cost-benefit analyses of maintaining entities where issues are highlighted
Strategy 2 – Evidence-based policy making to support improved development planning and budgeting processes	▪ Investment 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

	▪ Collaboration with international research institutions to capacitate officials and align research to relevant policy discussions ▪ Investment on 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	▪ Closely assess government's approach to market interventions across various sectors and monitor impact on the economy ▪ Ensure that analysis and impact statements accompanies all significant future proposed interventions and develop frameworks for appraising proposed interventions ▪ Increase in 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 4 – Re-focus recurrent and capital expenditures	▪ NDP to guide future capital and recurrent expenditure budgeting and macroeconomic framework with MTFF to stay within budgetary limits for prudent management ▪ Examine capital programme and priorities as well as the broader impacts the programme may have in line with sectoral development plans ▪ Ensure that the impact of budgets align with the mandates set out ▪ Prioritise capital projects with multiplier effects on the economy and long-term and sustainable growth (i.e., roads, dams)
Strategy 5 – 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 ▪ 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 5 – Enhanced and Dynamic Private Sector Supporting Sustainable and Inclusive Growth

National Outcome 2 - Enhanced & Dynamic Private Sector Supporting Sustainable &Inclusive Growth	Sectoral Outcomes	Strategies
	1 –Re-engineering economic growth for recovery	1. Promote export products diversification - agro-processing & 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. Increase productivity through adoption of modern (including climate-smart technologies. 5. Explore mining possibilities and add value through beneficiation
	2 – Strengthened business environment	1. Strengthen R & D, legal and regulatory framework by regular updates to conform to international standards 2. Strengthen macro-fiscal management to improve on procurement, payments and fight corruption 3. Create a level playing field for all investors by providing same incentive package 4. Invest in skills development to meet private sector demands. 5. improve on country's attractiveness as investment destination by restoring peace and stability
	3 – Increased employment-stimulating investment	1. Promote MSMEs by creating an enabling environment to operate 2. Promote private sector involvement in infrastructure development 3. Fully utilise current infrastructure lying idle & capitalise on tourism & mining opportunities 4. Empower the youth with technological and vocational skills to become entrepreneurs 5. Promote investment into research and development (R&D) – scientific and technological including in renewable and climate proof technologies.
	4 – Dynamic entrepreneurship and MSMEs fostered	1. Enhance incentives and support programmes for MSMEs to enable women and youth entrepreneurship 2. Enhance productivity through automation and innovation by promoting increased use of ICT 3. Strengthen skills development within MSMEs by reskilling and upskilling workers through industry partnerships 4. Transform the services industry to absorb the youth and women especially those in the informal sector
	5 – Modernising agriculture for increased production and value addition	1. Promote agro-processing and value addition 2. Improve the productivity of both irrigated and rain-fed farming systems and livestock raring 3. Promote agricultural financial access 4. Improve marketing of agricultural inputs, output and promoting value addition 5. Strengthen administrative and technical capacity of the Ministry of Agriculture 6. Ensure the inclusion of vulnerable groups – particularly women and the youth in crop and livestock production 7. Ensure climate change and environmental protection is adequately

		factored into intervention design and implementation
	6 – Climate smart investment	1. integrate climate change and environmental management measures in private sector investments, infrastructure and operations to build resilience 2. Adopt modern technologies and practices for waste disposal and management 3. Develop innovative financial and non-financial mechanisms to mobilise private sector investment including blended financing for green growth 4. Enhance domestic and international sources of climate financing and seek out opportunities for climate finance 5. 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 6. Monitor and track private sector climate-related spending across all relevant finance flows

At the core of the economic recovery strategy is the desire for economic transformation. 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 to better meet the demands for food security and growing challenges from climate change, while at the same time inducing growth elsewhere in the private sector, to broaden and sustain the growth and provide greater employment opportunities. Overall, achieving economic transformation with visible growth is expected to provide significant progress in reducing poverty and in meeting some of the SDGs. Eswatini has experienced challenging period with sluggish economic growth, fiscal crisis and political instability, but the private sector has shown resilient entrepreneurial spirit, despite not being able to provide sufficient employment for the young graduates. Economic growth is needed, but beyond mere economic growth what is required is an economic environment that provides inclusive employment opportunities. At the same time, for the private sector to be vibrant and competitive it needs to be provided with a conducive business environment such as good infrastructure, skilled and healthy workforce, transparent taxation system and a stable political climate. Good infrastructure includes road, rail, aviation, water, electricity and digital infrastructure as an essential enabler of economic expansion, efficient public service system, social inclusion and growth.

The ultimate goal of modernising agriculture is ensuring increased agricultural contribution to real GDP, transforming subsistence agriculture to commercial farming, diversifying agriculture, increased productivity, investments into agricultural support programmes which in turn will lead to increased export base, import substitution, improved food self-sufficiency, ensure food and nutrition security and reduced poverty levels. For this to be achieved, the sector shouldn't ignore some of the emerging issues like the COVID-19 pandemic and climate change impacts.

It is the aspiration in this Plan to expand networks and rehabilitate existing infrastructure to improve access, quality, productivity, efficiency of services and well-being of the population raising their standard of living. For the private sector, investments in modern infrastructure, enhances national competitiveness, lowers the cost of doing business, improves 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 5.1 – 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. The current government led growth model is unsustainable as it crowds out private sector, shrinking its share of the market resulting in a narrow product base and lower revenues with fiscal crisis worsening. Government's active participation in the economy has to be relegated to 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 in average and agricultural based. Bolstering domestic production to attain self-sufficiency in agricultural production remains a key priority for the economy, whilst some of the imports can be produced 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. Access to finance remains the major obstacle to drive investment. Moreover, climatic shocks such as drought and excessive rains have also become a persistence challenge for agriculture. These shocks require the private sector to respond accordingly by investing in adaptation and mitigation solutions to alleviate both the physical and transition risks that climate change poses to business operations and supply chains. Also, to reduce potential liabilities that could emerge as a result of climate change. This may include making investments in climate-resilient infrastructure, consideration of climate impacts in product value chains including procurement processes, 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, diversify 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. Government needs to promote MSMEs by providing an incentive package, providing mentorship to young entrepreneurs, improving access to credit, securing markets for their products, investing in digital transformation as well as improving transportation and connectivity.

The country will gain by opening up to competition in energy, telecommunications and IT sectors 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 and 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. SACU market as a closer market has advantages and still present opportunities. The establishment of the African Continental Free Trade Area (AfCFTA) also provide an opportunity for private sector to tap into.

Eswatini needs to take full advantage of every available growth opportunity in untapped markets and take advantage of SACU market by strengthen trade with South Africa, the major market. It also needs to focus on enhancing its competitiveness by improving regional connectivity by making strengthening logistics and trade facilitation, tapping into agricultural potential and securing water and energy supplies considering the expiry of the agreement with ESKOM in 2025. Government must consider lowering logistical and customs costs to facilitate cross-border trade in order to reap market benefits and enjoy regional integration benefits. Diversification may demand sourcing of new markets government should be able to assist.

Within the domestic economy there still lies opportunities where private sector can play a leading role to drive the economy. Manufacturing, mining, ICT and electricity generation are amongst some of the sectors where there is still scope to invest in and have massive potential to boost economic growth. Unlocking these sectors to their full potential can yield long-term sustainable growth for the economy.

There is need to identify new or developing export products, particularly where Eswatini's current strengths and competitiveness can be drawn from.Barriers and risks to exporting must be addressed, specifically by reducing the financial risks to exporters, by assisting exporters in meeting stringent standards requirements, and by improving the information available to Eswatini businesses. The country must 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. Further, in some cases the country may be importing when these goods could be more efficiently produced within the country and the local market can even be used as a stepping-stone to developing further export sectors.

Key Sectoral Outcome Targets	▪ A Growth Strategy in place to guide investments geared towards stimulating growth above 5%. ▪ Manufacturing and agriculture sector real economic growth to outpacetertiary sector real economic growth over a period ▪ 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)	▪ 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 supportmeasures 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 about available government financing schemes accessible to 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
Strategy 4 – Continue improving on trading-across-borders	▪ 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

Sectoral Outcome 5.2 – 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. Moreover, 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). In light of these challenges, 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. Moreover, the country's ranking has improved from 43 of 51 countries in 2019 to 30 of 51 countries in 2021 (ICT Africa, 2021). However, the country remains to have the highest data costs amongst its regional peers. Business registration time has also been reduced significantly from 30-working days to 3-working day with online platform developed to fast-track the registration processes. Furthermore, some boarder gates have been made operational for 24-hours to assist in the flow of goods domestically.

Strategies for strengthening the business environment first focus on reducing operational costs of running a business in Eswatini, including addressing the accelerating electricity costs, continued high data costs and rising levies. Moreover, regulatory bottlenecks for private sector in terms of over-regulation or under-regulation must be addressed because they suffocate the private sector. The regulatory framework is a low-hanging fruit that can be done even during the fiscalcrisis in the short-term, as the fiscal costs associated with these changes are relatively low. Linking to the third national outcome, programmes will be targeted at bridging the gap between the skills that employers need and the skills that employees have. The final two strategies focus on improvingthe commercial court system and enforcement of contracts, and on speeding up registration processing times.

Key Sectoral Outcome Targets	▪ Business environment conducive with legal and regulatory framework improved and utility costs competitive in the region (Business Enabling Environment (BEE)) ▪ Establishment of a national one-stop-shop virtually and physically ▪ Commercial borders operating 24 hours, efficiently, technologically innovative and compliant ▪ Investments to reduce skills-gap to 42% by end of Plan period
Strategy	**Programmes / Intervention**
Strategy 1 – Reduce the operational costs of running businesses 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 in operations by shutting down 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 ▪ Invest and finalise the construction of a strategic oil reserve to cushion against volatility in supply and global fuel price increases
Strategy 2 – Improve the legal and regulatory framework to cut down on costs and improve efficiencies	▪ 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.
Strategy 3 – Make investments 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 sector and private sector 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 – Reduce the costs and time associated with commercial court cases	▪ Quicken the development of an electronic case management system ▪ Restructure the court system to have facilities and judges/personnel dedicated to handle commercial cases ▪ Alignment of laws to the Constitution and international standards ▪ Utilise technology to improve efficiencies, effectiveness of the judicial system.

Sectoral Outcome 5.3 – Increased Employment Stimulating Investment

Eswatini continues to struggle with high unemployment levels and according to Labour Force Survey (LFS) for 2021 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 skill-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 not to be taken lightly as the unemployment figures indicate. Investments both private and public with particular focus on a vibrant private sector and enhanced human capital development to build the productivity of the young population. A large opportunity for growth, peace and stability is presented if this opportunity to harness the demographic dividend is taken up, and youth unemployment are reduced. Strategic and deliberate actions need to be taken for economic growth to be inclusive improving on the business climate for companies and MSMEs to drive employment growth, by creating strong backward and forward linkages between sectors, employing large numbers of people and boosting incomes leading to reduction in poverty and social tensions. To absorb the large labour supply and reduce unemployment and poverty, agriculture holds a greater potential because of its inclusiveness as it can absorb numerous people with varying skill-levels to inform the production process. Agriculture is amongst the labour-intensive industries which requires the human capital to inform production.

Eswatini's economic growth has been predominantly agriculture-based, supported by private investments in agriculture and industry, and public investments in infrastructure, utilities, as well as in schools and hospitals. However, private investment has been declining over the years and growth is consumption driven especially by the public sector. The Plan recommends increased efforts towards improving productivity through MSMEs that are 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. By improving the business climate through investments in infrastructure and improvements in policy, government will continue to boost private investment and undertake public investment. In addition, sectoral growth should cover all sectors, including agriculture, construction and the public services.

Key Sectoral Outcome Targets	▪ Reduce overall and youth unemployment to 20 percent and 30 percent respectively ▪ Increase investment towards vocational training in sectors such as agriculture, renewable energy, construction, services and manufacturing to absorb access labour while adding value. ▪ Harness the demographic dividend by creating opportunities for the youth

Strategy	Programmes / Intervention
Strategy 1 –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 ▪ 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
Strategy 2 – Investments and mentorship for young 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 & capitalise on tourism & 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

Sectoral Outcome 5.4 – 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 study, in 2015 there were about 16,500 entities, 47 percent of them are formal, and 53 percent informal of which 17.1 percent were licensed to trade and 35.1 percent were without a license[21]. 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.[22] 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 arrears increase. Establishing an environment where MSMEs and entrepreneurs can flourish will allow Eswatini to take full advantage of the large young population now entering the workforce. Moreover, MSMEs can be used as a vehicle to foster innovation through research and development to tape 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. This will be rationalised, refined and expanded to ensure that they have the capacity needed to undertake their ventures. Finally, despite the current macroeconomic environment, there is still substantial activity and opportunities in the informal sector. These will be supported and investigated to identify prospects that can be scaled up. Further, the focus of the strategy on reducing tax pressures on MSMEs, incentive package and tax options that could promote increased MSME activity. 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**

[21] World Bank (2020). Eswatini Systematic Country Diagnostics. Washington DC.
[22] Ibid

Strategy 1 – Micro-finance schemes, accessible to entrepreneurs (MSMEs) timeously and at favorable conditions	▪ Implement SME policy to rationalise and re-capitalise the operation of the small-scaleenterprise credit guarantee scheme, and increase awareness of all government schemes available forfinancing MSMEs ▪ 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 SME industries ▪ Promote co-operatives for financing to increase access to financing as well as utilise some of RDF for SME development ▪ Access global funds to boost MSME growth, including the World Bank's Africa Catalytic Growth Fund
Strategy 2 –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 5.5 – 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 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, there is SNL which 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, climate change hazards and recently been illegally sold 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 (Swazi Nation Land Agricultural Commercialisation Bill introduced in 2016), and expected to address productivity, gender issues, income generation and poverty reduction.

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, compared to 12.9 percent from the 2016 survey. Most of the employment comes from commercial farms where major crops grown are sugarcane, timber, citrus fruits, and macadamia nuts. Private sector investments ran by large companies are also in the livestock industry where dairy, beef, poultry and piggery are raised. Significant opportunities for diversification exists in the sugarcane and beef value chains[23]. Sugar is by far the largest export product from agribusiness at 18.4 percent of total exports in 2019, and the value chain has a strong link to manufacturing. The sugar industry has a potential to expand on sugarcane value chain and diversify to bio-gas energy and ethanol fuel, and it needs a change in the energy policy framework to encourage investments. The beef value chain has been growing 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.

The 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 the agro-industries. Furthermore, most SNL farmers do not practice farming as a business due to limited government support, poor entrepreneurial skills, poor marketing support, harvest losses, pricing which makes activity unprofitable, and 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, erosion, 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 go hungry[24]. Climate smart technologies are being adopt 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 promoting commercial farming, to ensure food and nutrition security, efficient supply to the manufacturing industries with raw material, investments into increased production of high value products and programmes that promote productivity have to be made. Otherwise, private sector promotion would not be effective. SNL farmers over rely on traditional farming practices, need to be equipped with skills and adopt improved production technologies for maximizing productivity Maize production is largely affected by, small farms, practice of subsistence farming, under-utilisation of inputs, drought, pests and diseases and limited access to funding..

SNL farming is done by the aged group and youth participation remains wanting. Youth participation, access to land and credit, market information, mentorship and adoption of innovative technologies in

[23] World Bank , 2020, "Towards Equal Opportunity: Accelerating Inclusion and Poverty Reduction in Eswatini – Systematic Country Diagnostic"
[24] Zero Hunger Report, 2018

farming must 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[25] 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 who have skills and have gone through training.

Key Sectoral Outcome Targets	▪ To increase commercialisation and competitiveness of agricultural production and agro processing. ▪ Increased commercial production of cash and high value crops and livestock for exports and value addition ▪ Agro-processing and market linkages of agricultural commodities increased ▪ Manufacturing and agriculture sector real economic growth to outpacetertiary sector real economic growth over period ▪ Increase agriculture sector growth by 6% annually ▪ Increase 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 and 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

[25] FinScope Report MSME Eswatini (2017)

	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 ▪ 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 resistant 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 for the delivery of agro-processing/agri-business ▪ 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	▪ 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 prioritized commodities
Strategy 5 - Improve commercialisation and competitiveness of agricultural	▪ Increase the total export value of unprocessed and processed agricultural commodities – baby vegetables, citrus, dairy, meat,

production, agro-processing and value addition	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 agro-processors to access export markets ▪ Train farmers on agro-processing and value addition initiatives ▪ Support establishment of industry associations
Strategy 6 – 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 operation of the Agriculture Development Fund ▪ Promote access to revolving fund support ▪ Promote user friendly agricultural finance from commercial banks ▪ Train farmers (smallholders) on developing financeable business proposals/plans ▪ Support farmers to access micro-finance institutions ▪ Support affordable agricultural insurance policies ▪ Promote youth finance starter-pack facilities
Strategy 7 - 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 ▪ Supporting the development of an integrated early warning system ▪ 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. ▪ Intensifying post-harvest handling, preservation and processing of foods to minimise losses.

Sectoral Outcome 5.6 – New Foreign Direct Investments (FDI) Promoted

The Eswatini economy has been experiencing declining private investment in the past decade having fallen from 17.4 percent in 2000 to average 5.4 percent in the last 5 years. The decline in private investment has been primarily been driven by the country’s inability to attract new foreign direct investments (FDI) to support industries. This has resulted in reinvested earning dominating the FDI inflows domestically as non-resident investors backer-invest into the economy while the ability to attract greenfield FDI has become scarce. Moreover, public sector has taken the driving seat in terms of investment limiting opportunities for private sector through the expansion of state-owned enterprises. The private sector remains constrained by a large (49 parastatals) state active participation in the economy, in infrastructure (energy, water, transport and telecommunications) and other sectors (agriculture, commerce, education, entertainment, finance, health, housing, information & technology, and tourism).[26] Assessment done through several studies point to serious implications for government finances as most are loss-making and benefit from transfers and are in direct competition with private sector and had prevented a private sector entity from investing. Private investment has fallen from 17.7 percent of GDP in 2001 to 8.5 percent of GDP in 2019, having fallen, largely due to disinvestment from South African firms and reduced FDI inflows.

The private sector has shown resilience through the COVID-19 and political unrest situations. There are a number of other important strategies to further boost potential investment and includes improving on good governance – strengthening fiscal management, clear arrears, eliminating corruption, improve on service delivery through improved legal and regulatory framework, ICT/digital transformation, levelling the playing field and treating investors equally irrespective of being foreign or domestic, tax incentives, secure energy and water supplies and transport infrastructure quality and maintenance and finally trade facilitation by making it efficient to import and export products through the borders. Following the creation of a conducive business environment, Greater private involvement andpartnerships are necessary to continue to develop the country’s infrastructure Finally, there are low-hanging fruits available to promote investment in particular sectors, including mining and tourism, as well as the under-utilised infrastructure in place to support economic growth.

An important consideration is that Eswatini has a large young population entering the workforce. This presents a large opportunity for growth, but also a threat if this opportunity is not harnessed and if the level youth unemployment remains high. 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. Any new and growing businesses will increase economic growth, but there will be much greater multiplier impacts on the economy and on development when these businesses also employ a greater number of people, boosting disposable incomes, and when they use inputs from other Eswatini companies.

Key Sectoral Outcome Targets	▪ Annual imports of construction and capital goods increased to at least 10% of GDP per year by 2021 ▪ Annual Net Foreign Direct Investment Inflows increased to at least 3.5% of GDP by 2021 ▪ Unemployment brought down from 23% in 2017 to at least 20% by 2021,equivalent to 4,000 new net jobs on average every year

Strategy	**Programmes / Intervention**

[26] There are 48 SOEs in Category A, which represents SOEs that are wholly owned by government and includes sectoral regulators. There are a number of Category B enterprises, which represents SOEs in which government has a minority interest, or which monitor other financial institutions or a local government authority.

Strategy 1 – Optimise taxstructure, 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 ▪ 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 – Proactive marketing of 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 – Private sector involvement in infrastructuredevelopment	▪ Develop specific PPP policies and enforcement measures for policies ▪ Restrict PPP projects to those that provide net benefits to the Eswatini government and nation ▪ Long-term planning to ensure that infrastructure is maintained ▪ Prioritise maintaining current infrastructure
Strategy 4 – Investigate anddevelop further investmentvehicles	▪ Develop the Eswatini Stock Exchange and promote its usage ▪ Coordinate with financial sector to identify new or upcoming investment vehicles. ▪ Pilot new investment vehicle options, including agriculturefutures ▪ Research into how technology can be utilised to create new investment vehicles
Strategy 5 – Fully utilise current infrastructure and capitalise on tourism and mining opportunities	▪ Open up the mining sector and enable mining licenses ▪ Explore further mining opportunities ▪ Ensure Eswatini citizens benefit from mining activity ▪ Develop efficient means to boost tourism in Eswatini ▪ Promote eco-tourism ▪ Investigate opportunities to increase non-hospitality focusedtourism ▪ Link business incentives to utilisation of current infrastructure

Chapter 6 – Enhanced Social and Human Capital Development & Sustainable Livelihoods

	Sectoral Outcomes	Strategies
National Outcome 3 - Enhanced Social & Human Capital Development & sustainable livelihoods	**1 - Improved access to quality health & health- related services**	1. Improve universal health coverage 2. Explore avenues for innovative, efficient & effective procurement and distribution mechanisms for health services and medical supplies 3. Strengthen health information management and its products for evidence based policy direction and programming 4. Improve on full time equivalent utilisation of health resources
	2 - Improved access to quality, relevant & inclusive education & lifelong learning opportunities	1. Improve the education system to develop current & future skills necessary for sustainable livelihoods 2. Enhance access to quality education at all levels 3. Increase technical vocational education & training opportunities
	3 - Improved management and access to safe drinking water. sanitation and hygiene	1. Effectively and efficiently manage & regulate water resources 2. Effectively & efficiently manage WASH services and infrastructure 3. Increased 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. Improved food availability, access and affordability 5. Ensure increased production, marketing and favourable pricing of nutritious food products of nutritious diets
	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. Improved 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 Swazis	1. Improve access to safe and inclusive housing infrastructure 2. Ensure compliance to infrastructural and environmental regulations

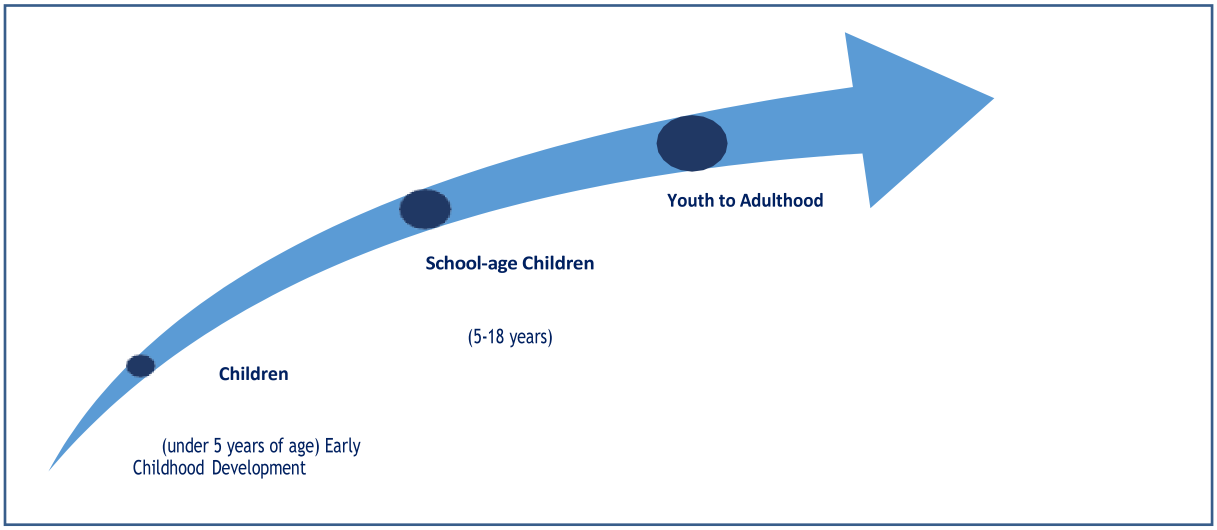
Human capital is undoubtedly one of the critical determinants for sustainable economic growth according to modern growth theories. Human capital is defined as the health, knowledge and skills people acquire over their lifetime is a pivotal driver for sustainable growth and poverty reduction. Higher individual 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. The HCI for Eswatini stands at 0.31 (2021). The human capital index[27] summarises a nation's investment in its human capital specifically concerning 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. These particularly experienced in the social and economic sectors - healthcare, education, agriculture, employment and livelihoods, gender, governance and social protection. The poverty gap is envisaged to have widened, worsening existing inequalities and vulnerabilities. Poverty is 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.

[27] 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

Figure 18: Life Cycle Approach to Human Capital Development



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

The country will focus on the holistic service delivery approach, mainly targeting the provision of comprehensive support services to the child from inception through youth to adulthood until they attain their full potential. This approach is shown in Figure 18 above.

Over and above human capital development, a country 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 remains 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. However, neglecting the youth 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 for all the sectors especially health.

The country through this NDP has adopted a harmonised approach to human capital development under the outcome ***"Enhanced social, human capital development and sustainable livelihoods"*** and this is inclusive of health, education and skills development. There are also cross-cutting issues that anchors and ensures strong families, social cohesion, national unity, peace and stability such as the youth, water and sanitation, nutrition and social protection. The foregoing has a bearing in the whole lifecycle of the human being and is termed human development.

The main objective for this national outcome is to improve the quality of life of the Swazi people 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 2023-2027, 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 6.1 - Improved Access to Quality Health & Health-Related Services

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 Swazis 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 15% ▪ 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 - Improve universal health coverage	▪ Strengthen provision of quality essential health care services ▪ 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 servicesamongst the youth ▪ Promote access to and uptake of nutrition programmes ▪ Strengthen service providers' skills and competencies in theprovision 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 & 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 & 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 on promotion of 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 programme ▪ 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 and ▪ 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 ▪ Effectively and efficiently utilize 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

Sectoral Outcome 6.2-Improved access to quality, relevant & inclusive education & lifelong opportunities

The 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). The LEG comprises of development partners, non-government organisations and everyone with a stake in education. The implementation of the Education for Sustainable Development (ESD), a transformative learning process is anchored on several principles that underlines sustainability, human rights, poverty reduction, sustainable livelihoods, peace, environmental protection, ecological sustainability, democracy, health, biological landscape diversity, climate change, gender equality as well as protection of indigenous culture.

Education and educational outcomes will be improved in order to ensure that children and the youth are prepared for life through quality education, leading to enhanced social and human capital development and inclusive growth. The NDP priorities for improved educational outcomes are: (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.

Key Sectoral Outcome Targets	▪ Participation rate of 5 years from 40% - 52% ▪ Retention rate at primary 92% -94% ▪ Retention rate at secondary 83% - 87% ▪ Out of school children (OOSC) 17% -13.5% ▪ TVET graduates absorbed by labour market from 60% to 70% ▪ Secondary schools adhering to SCCS standards <1%-100%

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 (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 ▪ Strengthen programmes aimed at increasing output of educational research ▪ Robust resource mobilisation for improving the education system through membership to international bodies such as the Global Partnership for Education (GPE) ▪ Integrate climate change and environmental sustainability into the curriculum
Strategy 2 - Enhance access toquality 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 Trainingopportunities	▪ 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 labourmarket ▪ Prioritise the Recognition of Prior learning as well as part-time learning programmes in order to ensure lifelong learning and perpetual skills upgrade

Sectoral Outcome 6.3 Improved Management and Access to Safe Drinking Water, Sanitation and Hygiene

Water is essential for life, yet the quantity is limited 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[28] 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[29]. However, this important resource is increasingly becoming scarce due to climate change and other environmental drivers.

Table 10: Coverage for WASH in Eswatini

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

[28] Poverty Reduction Strategy and Action Plan, 2006
[29] National Water Policy, 2008

The country has committed itself to achieve universal and equitable access to safe and affordable water for all; adequate sanitation and hygiene for all and end open defecation. Also, paying special attention to the needs of women and girls, and those in vulnerable situations. Safe drinking water and sanitation remains an inalienable and fundamental human right. Access to it is essential for improving nutrition, preventing disease and enabling health care, as well as ensuring the functioning of schools, workplaces and government institution. The NDP prioritises universal access to WASH by all groups including the poorest of the poor as 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%) ▪ Increased water coverage from 75.6% -78.6% ▪ Increased access to sanitation from 53% to 85% ▪ Reduce open defecation from 11% to 5% by 2024 and completely by 2027 ▪ Increased access to hygiene from 26% to 50% by 2027. ▪ Construction started on at least 2 new multi-purpose dams.

Strategy	Programmes / Interventions
Strategy 1 - Effectively and efficiently manage and regulate water resource	▪ Adoption of nationwide water price regulations to encourage efficient water use and scale-up smart metering systems ▪ 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) ▪ 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	▪ Improved partnership and coordination of related issues. ▪ Develop Master-Plan and Sector Strategic Plan for WASH ▪ Secure climate proof water infrastructure including through developing resilient/ climate proof WASH infrastructure to increase community resilience and boost adaptive capacity. ▪ Review and implementation of 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 ▪ Piloting of *Hlanteka* behavioural change campaign ▪ Strengthen M&E for evidence-based decision making and policy formulation ▪ Mobilise more resources for sanitation and hygiene programming ▪ Review approach to supply water in communities to address access, maintenance and sustainability issues, ensuring that all have access to clean water. ▪ Implementation of the Hand Hygiene for All roadmap.
Strategy 3 – Increased access to adequate and	▪ Implementation Participatory Hygiene and Sanitation Transformation (PHAST) ▪ Implementation of Community Led Total Sanitation (CLTS)

safe/potable water, sanitation and hygiene	▪ Strengthen open defecation free certification ▪ 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	▪ Secure and accessible water sources for all ▪ 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 6.4 - 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[30] 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[31]. The aspiration of Agenda 2030 (SDG Goal 1 and 2) seeks to ensure there is aiming at no poverty and hunger i.e. people can live and eat well. A country with zero hunger produces enough food, or is able to generate reasonable income to buy adequate, safe, proper and nutritious food. Surplus food can be stored or sold generating income and this scenario ensures food security. Food and nutrition security is important in ensuring the improvement in human development as a well-nourished body is intelligent, trainable and productive ready to contribute towards the country's development.

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 health life. For food security to be accomplished, the following pillars should be achieved and these are food availability, accessibility, utilisation, nutrition requirements, stability and inequitable supply[32]. The changing climate is a key challenge to which appropriate action also needs to be taken to ensure that food security is not threatened.

The strategy for achieving food security lies in ensuring: 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

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

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 000mt ▪ Increased farmers' access to production inputs ▪ Improved food and nutrition security by 10% 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. ▪ Upscaling and replicating climate smart agriculture, (Crops, aqua-culture, fisheries, and livestock production) for improved food security and nutrition security and higher income ▪ Support innovation and technology that is climate proof and 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 Proper products	▪ Facilitate the production of diverse foods, biofortification 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 harvest losses ▪ Support chiefdoms projects for food production for OVCs/*bantfwana bendlunkhulu*

Sectoral Outcome 6.5- Reduced poverty rates in all its forms at national and regional levels

Poverty is high and deeply rooted, with most of the Swazis caught in the poverty cycle especially in the poorest regions of Lubombo and Shiselweni where, respectively, 58.9 percent of the population live below 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[33]. 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 the most dimensionally poor regions, and consequently the reason for the nationally high rate of stunting among children estimated at 26 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 51[34] and the pace of reduction 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 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[35]) was conducted to come up with analysis and

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[33] Poverty Reduction Strategy Action Programme (2006)

[34] Central Statistics Office (2017) Eswatini Household Income and Expenditure Survey 2016/17

[35] 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.

recommendations for ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture. The report's recommendations provides 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 reconcialition 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 & 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 ▪ 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 6.6 - Enhancing social cohesion and national unity

Relations among the Swazi peoples 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 and 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 0.31 in 2021 revealing a daunting task ahead. With the NDP, government hopes to achieve good governance in economic management, peace and political stability. At the same time, it is hoping to build collaborative efforts with different stakeholders to reduce division and opposition as well as various forms of socio-economic disparities across regions and groups.

Government recognises that to bridge the divide, it must accept different views and ideas, and embrace the call for change. Government should therefore 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 Swazis. In addition to social cohesion and national unity, the Government also 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[36] groupings. The goal of this intervention is to empower families, communities and citizens to embrace national values and actively participate in sustainable development.

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, development agenda and implementation ▪ Empower communities to claim for equal treatment or consideration in the enjoyment of rights and freedoms, attainment of access to services etc ▪ Instill morality and values in children whilst young ▪ Promote social integration and ethics to foster a united and moral society, and to live without fear ▪ Intensify stakeholder engagement to build a shared sense of responsibility ▪ 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 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, underpriviledged, 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 others ▪ Separate responsibilities of traditional structures, MPs and tindvuna tetinkhundla etc pertaining to the implementation of development programmes ▪ Mobilisation of communities to participate in their development to take full responsibility ▪ Increase transparency and eliminate corruption in the delivery of services

[36] Other refers to political, social, LGBTQI etc

Sectoral Outcome 6.7 - Empowered Youth to Actively Participate in Economic Activity and Decision Making

Young people under the age 35 years are 72.9 percent of the population, with 52 percent under the age 20 and 39.6 percent under the age 15[37]. 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 last NDP, the potential demographic dividend the nation can reap requires significant investment in youth, which should have begun as early as in 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 education and training (2010), gender (2010), disability (2013), and sexual and reproductive health (2013), as well as adopting a number of international frameworks. These sought to create a workable environment and develop programmes that 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[38], HIV/AIDS[39], 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 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 is 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[40], boys

[37] National Population census, 2017
[38] Labour survey, 2021
[39] 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
[40] SADC regional study of vulnerability amongst boys (ages 14 - 20 years) in schools, 2019

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 National Development 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; and (iv) promotion of peer to peer support.

Key Sectoral Outcome targets	▪ Demographic changes shaping the workforce, investment in social sector increased ▪ Encourage talent management in sports, culture and arts to increase employment opportunities ▪ Addressing youth unemployment and reducing it from 58.9% (2021) to at least 40 % by 2025
Strategy	**Programmes / Interventions**
Strategy 1 - Mainstreaming and broadening access to quality TVET programmes	▪ Improve education delivery through better access and quality ▪ Enhancing 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 ▪ Enhancing labour market operations to maximise efficiency and 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 ▪ 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 ▪ Promoting a sports culture and developing talent to enhance wellbeing ▪ Developing 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 ▪ Developing 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 centers (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 5 - 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 6.8 - Improved and Well Targeted Social Protection Services

Social protection consists of policies and programs 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[41]. 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[42]. Likewise, taking all five programs 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 social protection programme that is well established, programmed and targeted, given the levels of unemployment and poverty[43]. According o 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 and improving the quality of lives for all Swazis. There is a close association between drought and price shocks, poverty status, and food insecurity status. These are namely: (a) neighbourhood care programmes, which provide food and other benefits to orphans and vulnerable children who are not in school; (b) government school feeding for students in public primary and secondary schools; (c) orphan 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 country needs to formulate and implement a social security policy which was recommended a long time ago[44].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 ofsocial assistance programmes to ensure accuracy, ease and efficiency of implementation,	▪ Operationalise revised 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 to enhance the schooling of vulnerable children and improve education outcomes. ▪ Ensure all children are registered and obtain IDs to access government services especially education, health and social assistance programmes

41 World Bank (2020), Toward Equal Opportunity: Accelerating Inclusion and Poverty Reduction, Systematic Country Diagnostic
42 World Bank (2020), Social Assistance Programs and Household Welfare in Eswatini,
43 UNICEF, 2018
44 Poverty Reduction Strategy and Action Plan- 2006

legitimacy, and transparency	▪ 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.).
Strategy 2 - Strengthening the administration of social assistance programmes	▪ Development and implementation of a single integrated social registry, along with a management information system (MIS) to implement and monitor these programs. ▪ Closely monitor and evaluate social programmes in order to strengthen their impact. ▪ Revise the beneficiary guidelines and implement accordingly by focusing social assistan 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 prepa 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 incluc Health Insurance Fund (NHIF) ▪ Implement mechanisms for ensuring that vulnerable groups such as the poor, elde mentally challenged and others have access to health through exemptions from paying ▪ Implement a social insurance employment injury scheme that covers all sectors of under a Workmen's Compensation Insurance Fund. ▪ Strengthen the disability (invalidity) cover for all by introducing disability fund as a shor insurance scheme administered under a social security organisation. ▪ Design and implement a financially sustainable short-term unemployment insuranc workers who lose their jobs due to risks. ▪ Facilitate the development of an Active Labour Market Policy basket of interventio demand side measures to incentivize the employment of youth in the private sector a work experience (such as youth subsidies)

Sectoral Outcome 6.9 - 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[45]. 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 wellbeing. On the other hand, the nation faces a massive problem of homelessness caused by a deteriorating governance system and poverty as an increasing number of people are evicted from the land they occupy either on SNL, private land and government. According to official statistics, about 87 households (283 people) are homeless.

This NDP prioritises 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

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

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 and enforcements and the recovery of wetlands will reduce impacts of natural environmental hazards and risks such as floods, landslides and structural collapse. .

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 7 - Efficient Public Service Delivery that Respects Human Rights, Justice and the Rule of Law – Good Governance

National Outcome	Sectoral Outcomes	Strategies
National Outcome 4 - Efficient Public Service Delivery that Respects Human Rights, Justice & the Rule of Law	**Transforming the public sector to be an efficient, productive, dependable & modern service provider**	1. Efficient delivery of general public services and sensitive to climate change, environmental management and other cross-cutting issues 2. Re-organise the public service for efficient & effective delivery of services 3. Establish strategic relations with stakeholders, including the international community 4. Lean and productive public sector 5. Innovation and skills development
	Investing in a secure and safe country and living environments for urban and rural communities	1. Development of a National Security Strategy 2. Enhancing crime prevention by enforcement agencies, private players, and the public 3. Nurturing national spirit for social cohesion and unity 4. Intensifying stakeholder engagement to build a shared sense of responsibility
	Strengthened Implementation & Enforcement of Human Rights, Law & Order & 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 & new laws to the Constitution & to international standards 4. Strengthen national security and safety
	Enhancing service delivery with focus on improving citizens livelihoods	1. Significant investments in human capital development and social safety nets 2. Separation and effective delivery of services by three arms of government 3. Nation building and unity 4. Youth empowerment and protection of vulnerable groups
	Rural and community development	1. Efficient and effective decentralisation of services 2. Capitalising on local authorities for quality services at the local level 3. Aligning 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 was be experiencing 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 of 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 73 percent of the population and about 59 percent are unemployed, and civil society 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[46] 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. Poor governance is worsening the currently fragile macroeconomic environment, undermining service delivery, putting to question the possibility of a successful FAP implementation and the ability to turn around the deteriorating generally weaken progress to more sustainable and inclusive human and social development, and a more dynamic economy. The corona pandemic, political unrest and Cyclone Eloise exposed the fragility of response mechanisms for shocks and disasters. The consequences of poor governance accumulating over time, has resulted in frustrations of the population which has spilt over as political unrests in 2021 causing disruptions off business environment and instability eroding past achievements of the past.

Good governance also means being up to date with reforms of the legal and regulatory framework. 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 7.1 – Transforming the Public Sector to be an Efficient, Productive, Responsive and Modern Service Provider.

The public service 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, defence, 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 to fiscal crisis – cashflow challenges and lack of resources for operations with budget catering mainly

[46] UN Agenda 2030 and AU Agenda 2063

for personnel costs. Government is widely known for inefficiencies, lack of innovation, red tape, bureaucracy and laxity hindering investment growth and service to citizens. In addition, it is perceived to be 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 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 enable as 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 focused on ensuring that the government is lean, efficient and effective, not corrupt, 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 the Swazi people.

Key Sectoral Outcome Targets	▪ Improved perception of public sector service delivery ▪ Modernisation of government services leveraging on ICTs and transforming the country to an information and knowledge economy ▪ Self-driven and productive public servants – culture of excellence ▪ Strengthen international relations

Strategy	Programmes / Interventions
Strategy 1 – Efficient, modern and secure delivery of general public services	▪ Intensify investment of a robust ICT infrastructure across government and build capacity to strengthen the e-government network system to ffacilitate the 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 of e-Government Strategy and finalise 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. ▪ Promote the one-stop shop service delivery mechanism ▪ 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	▪ Consider appointments to appropriate and senior positions on a contractual basis to attract and retain talent in specialised and critical fields. ▪ Streamline public sector training for greater specialization 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 visibility 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, and behaviours ▪ Establish new transport/fleet management measures
Strategy 3 - Establish and promote strategic cooperation with stakeholders to improve on governance, efficiencies and service delivery, for the benefit of the Swazi nation.	▪ Greater engagement with Public Sector Associations, civil servants and other stakeholders e.g. the youth on reforms and effective implementation ▪ Create an enabling environment for promoting cordial partnerships with development partners and international organisations. ▪ Invest in improvements of the country's image ▪ 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 7.2 – Investing in a Secure and Safe Country, and Living Environments for Urban and Rural Communities

National security and a shared national identity are also an 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 even the boy child. They should be able to move freely without the threat of murder, abuse and violence.

Following events leading to political unrest; national unity, peace and stability, security and respect for the rule of law are key challenges. In this regard, national dialogue and other effective and sustainable state building efforts will require combined participation of people with different views for consensus-building, re-building of national unity, peace and stability. While much has been achieved in the country over the years as discussed in Chapter II, more remains to be achieved to ensure an accountable, transparent and responsible governance system that respects human rights and fosters the application of law and order, to the management and performance of the public service with the aim of also bringing it with the affordability range. 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 ▪ Strengthen 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 security of Government property and personnel	▪ Facilitate procurement of appropriate private security companies for the provision of physical and technical security services for Government entities. ▪ Facilitate the strengthening of security mechanisms and systems in Government ministries & departments ▪ Conduct security awareness for government ministries and departments. ▪ Conducted security risks assessments to some ministries and all residential places of Cabinet Ministers & senior officials. ▪ Create a safe, secure and resilient cyber space that supports the information society and socio-economic wellbeing of the country
Strategy 2 – Creating secured and safer living environments for communities 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 and promoting crime awareness for effective prevention ▪ Conduct security risk assessment and periodical security inspection to strengthen national security and safety for national assets, private properties and individuals ▪ Enhance rehabilitation, treatment, and aftercare to reduce re-offense among ex-inmates and degeneration among drug addicts. ▪ Facilitate the strengthening of security mechanisms and systems in Government .ministries & departments

Sectoral Outcome 7.3 – 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, 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 socioeconomic 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 in the country and a need for a capacitated body such as the Law Reform Commission to ensure that these laws speaks to the present, future and emerging issues affecting the society.

Key Sectoral Outcome Targets	▪ Reduced backlog of cases and increased timeliness of case processing ▪ Increased adherence to Constitutional dictates ▪ 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	▪ Implementation of National Anti-Corruption Policy ▪ Merge 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 ▪ Increased resources and specialisation of courts to reduce backlog of corruption cases ▪ Increased 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; ▪ Capacitate and invest in technology in all 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 and ensure its sustainability ▪ Decentralise the justice system through the construction of courts through PPPs ▪ 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 & 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 ▪ The Law Reform Commission should speed up alignment of laws with Constitution and programmes implementation

Sectoral Outcome 7.4 - 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, take 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 ethic in the public sector that does not adequately respond to the needs of citizens and the private sector and 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.

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

Strategy	Programmes / Interventions
Strategy 1 – Enhancing service delivery with citizens at the centre	▪ 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 - 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 7.5 - 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 RDF. The goal of this program therefore is to empower families, communities and citizens to embrace national values and actively participate in sustainable development.

To facilitate the decentralisation of services, Government produced the Decentralisation Policy to guide implementation and meaningful impact has been made through the RDF as MDAs took services nearer to 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, decentralisation should strengthen national and local democracy while promoting good governance in the process because it should allow the people to govern their own affairs in line with their development priorities allows local government to make development choices, act on them effectively and accountably. But there are challenges with have caused delays in full roll-out.

Key Sectoral Outcome Targets	▪ Efficient and effective decentralisation of services, responsive to population dynamics and technological advancement ▪ Capitalising on local authorities for quality services at the local level ▪ Aligning RDF with poverty reduction initiatives and local level development needs

Strategy	Programmes / Interventions
Strategy 1 – 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 – RDF as a vehicle for poverty reduction.	▪ 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 8 - WELL MANAGED NATURAL RESOURCES, ENVIRONMENTAL SUSTAINABILITY AND DISASTER RISK MANAGEMENT

	Sectoral Outcomes	Strategies
National Outcome 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	1. Increase coverage and access to safe drinking water 2. Effectively & efficiently manage & regulate water resource 3. Increased capacity of bulk water storage through investment in multi-purpose dams
	2 - Improved Land Governance Land Use Planning and Management	1. Governance systems updated and enforced to protect areas classified as special and sensitive 2. Provision of land increased for productive activities. 3. Land management & administration improved to undertake appropriate land use
	3 - A more equitable, inclusive, sustainable and appropriate management of energy, renewable and non-renewable natural resources	1. Integrating climate change, environmental and disaster risk management into development planning and budgeting processes 2. Conserve natural resources for present and future generations 3. Implement safeguards for a more equitable, sustainable and appropriate development and management of renewables and non-renewables 4. Provide legal, policy & institutional framework to support effective regulation, investment & privatesector participation in the sector 5. Ensure availability, efficiency, accessibility, affordability & sustainability of all energy sources 6. Increase usage of energy efficient & renewable energy technologies & increase capacity for installation & maintenance of EE & RE technologies
	4 - Improved National & Community Resilience to Climate Change and Natural Disasters	1. Strengthen the human resource and technical capacity of the Eswatini Meteorological Services 2. Enhance partnerships with non-state actors for effective service delivery 3. Strengthening resilience against climate change, environmental degradation and natural disasters 4. Consolidate and strengthen institutional capacity of agencies responsible for climate change and environment management 5. Enhance climate change adaptation, mitigation and resilience 6. Formulate a resource mobilisation strategy for improved climate resilience and disaster risk reduction 7. Effective monitoring, coordination & dissemination on early warning system
	5 – Clean & Safe Environment & 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 3. Strong institutions supported by policy, systems and legal framework

	6 – Strengthening the enabling environment for green growth	1. Formulating and strengthening relevant policies and legislations 2. Integration of NDC into national planning documents, process and budget 3. Strengthen disaster risk management and financing mechanisms 4. Encouraging widespread adoption of green buildings criteria 5. Managing waste holistically by encouraging reuse, reduce and recycle

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 in 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 caused ecological degradation, ultimately creating a detrimental impact on people. Enhancing conservation of the nation's ecological assets are critical to ensure the sustainability of growth and to act as defenses against natural disasters. The Plan seeks to integrate climate change adaptation, mitigation measures to be integrated into planning, budgeting processes whilst building resilience to impacts. Natural resources must be well managed and administered with due consideration for present and future generations. To support socio-economic development, provide a base for growth and development, food for the nation and have proper advanced methods for waste disposal to maintain a clean safe secure environment.

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 8.1 - 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 a sign of dignity for the Swazi people 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 have access to basic water services 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 centers.

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 8.2 - Improved Land Governance, Land Use Planning and Management

Land is the most important productive asset available to the majority of Swazis 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 and has delayed progress in addressing emerging challenges such as not observing the land use planning policy and encroaching on arable land using it for real estate or settling homesteads in rural at the risking food security.

Key Sectoral Outcome Targets	▪ Level of under-utilised land reduced ▪ Revised land use planning policy and law in place and functional by 2025 ▪ Price inflation of ITF land stabilised

Strategy	Programmes / Interventions
Strategy 1 - Improve provision of land for productive activities.	▪ Finalisation of the review of all land related legislation. ▪ Registration of land use rights on SNL and TDL ▪ Up-scaling 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 ▪ Reducing 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	▪ 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 geospatial and other technologies in the management and administration of land

Sectoral Outcome 8.3 - 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 of 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 and renewable energy resources such as coal[47], 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 export to Eswatini's neighboring countries[48].

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 value addition to selected resources for socio-economic development and employment. ▪ Percentage of energy consumed 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	▪ Ensuring natural resources security ▪ Enhancing alternative livelihood for indigenous and local communities ▪ Adopting the sustainable consumption and production concept ▪ Increasing the share of renewable energy to 50% in the electricity mix through the adoption of solar, wind, biomass, hydro, and solar water heater technologies

[47] Thermal project abandoned due to commitments made in the NDC to reduce carbon emissions
[48] State of the Environment Report (2020)

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 ▪ 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 ▪ Optimisation of transmission and distribution network strengthening and development and the reduction of technical and non-technical losses. ▪ Optimisation of 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, decentralized renewable energy technologies in rural areas to improve energy access and reduce unsustainable wood harvesting practices

Sectoral Outcome 8.4 - 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 socioeconomic health and stability of the nation. The climate crisis is the defining challenge of the modern-day era, and will inform all policy and socioeconomic 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[49].Eswatini is already suffering from the adverse impacts of the climate change[50]. 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

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

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

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. 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 is already identified as the most frequent peril 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.

Climate change evidence has provided a clear indication that the continued increases in greenhouse gas concentrations are leading to increases climate related disaster risks and in particular extreme weather events. The extreme weather events are responsible for natural disasters and most of the natural disasters experienced in Eswatini are climate related natural 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 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 has been 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, restore bare hills and protect mountainous areas and rangelands ▪ 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	▪ 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 reuse to transition towards a circular economy ▪ Building capacity for climate change adaptation and mitigation including hazard/disaster risk reduction ▪ Conserving natural resources for present and future generations ▪ Strengthening governance to drive transformation ▪ Establishing sustainable financing mechanisms
Strategy 3 - Formulate a resource mobilisation strategy that will have lobbying strategies for government and resource partners outside government.	▪ 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. ▪ Investment 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	▪ Investment 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 ▪ Strengthening 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 ▪ Effective coordination and capacity enhancement of stakeholders to interpret meteorological data
Strategy 5 - Enhance Coordination for Low Carbon and Facilitate a Climate Change Impact Resilient Economy	▪ Develop a climate change bill, and advocate for its enactment into an act ▪ Review and update the climate change policy and the strategy and action plan. ▪ Develop an updated NDC implementation plan and pipeline projects ▪ Develop a 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 ▪ Periodically update the national greenhouse gas inventory ▪ Prepare and submit Biennial Update Reports (BUR)

Sectoral Outcome 8.5 – Clean and Safe Environment, and Sustainable Use of Natural Resources

The people remain heavily dependent of 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 pollution and 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. Eswatini is characterised by a heavy burden of non-communicable diseases as a result of increased urbanisation, waste dumping, chemical water pollution from fertilizer leaching, waste water dumping and ambient air pollution.

Eswatini, despite the small size is very rich in species biodiversity at both the flora and fauna level found on land and water resources. This is seen through the rich natural and manmade forest cover, grasslands, mountain and aquatic ecosystems. Prudent management of natural resources is desirable to ensure conservation and the equitable realisation of benefits by the majority of the country's population, including the need to manage and control alien invasive species threatening the diverse biodiversity in Eswatini with depletion and extinction of some species.

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 also very critical issues to be addressed by government in the medium term. There is also need to mainstream climate change in all environmental management legislations, policies and plans.

Key Sectoral Outcome Targets	▪ Increased Adoption of technological innovation for waste management ▪ 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 measures 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 9 - 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 & coverage of road network to enhance safe and cost-effective mobility 2. Capital projects funding dependent on viability and cost-effectiveness 3. 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 & cargo services 5. Ensure utilisation of the developed structuresthat are currently lying idle 6. Unleash growth of logistics and enhancing trade facilitation 7. Enable quality Infrastructure for waste disposal and management – industrial and domestic 8. Invest in meteorological services to improve reliability & accuracy of weather information through modernisation of weather infrastructure 9. Integrate climate change measures in infrastructural development and maintenance and climate-proof existing infrastructure to build resilience and protect it from disasters – losing lives and assets
	2 - Improved coverage, quality, reliability and affordability of digital infrastructure and services	1. Strengthen ICT sector by formulating policies and legislations to increase access, availability and affordability of services even for rural areas 2. Intensifying research, development and commercialisation 3. Increase bandwidth speeds andavailability
	3 – Sustainable, secure, clean and affordable energy sourcing to support growth	1. Secure sustainable and effective sourcing and delivery of electricity and fuel to ensure constant availability 2. Increase domestic generation of sustainable, secure, clean, and affordable energy 3. Increase mix of conventional and renewable domestic power production 4. To ensure efficiency, accessibility, affordability, and sustainability of all energy sources country-wide. 5. Increase usage of energy-efficient and renewable energy technologies.
	4.Continuing investments in a new water services industry framework	1. Increase capacity of bulk water storage through investment in multi-purpose dams. 2. Bulk water infrastructure should have potential for safe water, irrigation and energy generation 3. Assess and strengthen capacity of institutions in the water services industry 4. Rehabilitation and regular maintenance of water infrastructure especially rural water supplies to ensure access and quality 5. Improve water governance and compliance to help manage water resources more efficiently and effectively to adapt to resultant water shortages from climate change and variability.

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 a 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 enhances economic activities of small entrepreneurs, households and farmers. Upgrading, expansion and regular maintenance of these networks will improve the competeviness of the country and create new corridors of economic activity. Better integration of these different transport modes will also. Investing in rail will alleviate the pressure on the road network and extend its life. 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 2023-2027, government should 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 will be climate proof to protect against the severe adverse impacts resulting from natural disasters; (iii) investment in infrastructural development to be driven by viability and cost-effectiveness; (iv) there is urgency in securing investments in ICT and energy; and (v) there are strong linkages in strengthening investments in infrastructure with investments in private sector and human developments. It is time government develops the PPP policy at national and sectoral level and utilise it for financing of public investments to ensure quality, finishing on time and secured financing.

Sectoral Outcome 9.1 – 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 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 and wisely in aviation will alleviate the pressure on the road network and extend its life span. The Government should work with the private sector to create partnerships and an integrated logistics, which coupled with an 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.

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 but also fosters economic growth, prevents the spread of diseases, and ensures higher living standard. Therefore, investing in water and sanitation is an effective way of improving the economy. In that regard, more investments should be made to expand coverage and improve on access to extend to rural and poor households providing safe and climate proof water and sanitation infrastructure in order to increase community resilience and boost adaptive capacity. To ensure a sustainable management of water resources it is critical to strengthen the capacities of the responsible institutions, such as river basins which are multilateral organisations that strive to promote the peaceful sharing of the scarce water resources from rivers that flow across borders. In addition, there should be continuous efforts to strengthen capacity of the water services sector, especially the Department of Water Affairs and Rural Water Services servicing 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 should invest in new networks and treatment plant capacity to protect water sources and rivers. This must 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.

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.

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 ▪ Prioritising Eswatini Rail Link (SRL) project and securing financing through PPP other partnership arrangements and completing relocation of homestead phase 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. ▪ Improved reliability & accuracy of weather information through modernisation of meteorological infrastructure and services

Strategy	Programmes / Interventions

Strategy 1 - Improve accessibility, maintenance & coverage of road network to enhance safe and cost-effective mobility	▪ Implementation of the Road Sector reforms (Roads Authority establishment) ▪ Public and private resource mobilisation for road infrastructure development and maintenance ▪ Upgrade of feeder roads and low-level crossings using labour-based methods. ▪ 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) ▪ Conducting studies to assess the adoption of electric mobility options.
Strategy 2 – To ensure cost-effectiveness and efficiencies in the delivery of capital projects	▪ Viability and social benefits of public investment projects should be 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 ▪ Large projects to be funded through PPP arrangement. ▪ Improve the value of government property and assets by investing in regular maintenance and upgrade of government buildings and housing infrastructure ▪ 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 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 infrastructures 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 ▪ Climate-proofing and retrofitting of existing infrastructure and housing

Sectoral Outcome 9.2 - 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 driver. 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 but providing the infrastructure, policy, legal and regulatory framework without stifling progress and freedom to operate. Government must 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, and expand business and income earning opportunities to improve wellbeing. 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 on the importance of 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 a ***knowledge based and digitally inclusive society.***

ICT investment is a must 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 (among other climate-related responses), 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, pre-requisites for the success of sectors such as health, education, environment etc. 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.

In an effort to attain a healthy National System of Innovation (NSI); the Ministry of ICT has placed programmes and activities in place. The NSI consists of institutions that 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 to ensure access to internet connectivity, electricity, digital skills, or affordable devices for all. Beyond improving access to reliable and affordable ICT, government must 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 build forward in terms of efficient production of more and better goods and services.

Key Sectoral Outcome Targets	▪ Opening 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. ▪ Improved coverage, quality, reliability and affordability of digital infrastructure and services ▪ 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 - ICT sector strengthened by policies, legislations and regulatory framework for access, quality and availability of affordable digital and communication services	▪ Review of the NICI policy ▪ Implementation of Eswatini Digitalisation Strategy and the Indigenous Knowledge Commercialisation Strategy ▪ Create an enabling legal environment for broader participation and liberalisation of the communication industry - unbundling EPTC. ▪ Operationalising the National Research Council ▪ Implementation of 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 - Promotion of the use of ICT in the entire economy and society	▪ Enhance ICT research, innovation and development ▪ Increase bandwidth speeds and availability of services to everyone ▪ Deployment of secure, integrated and cross sector infrastructure to enhance the performance of all 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 ▪ Modernisation of the national backbone infrastructure ▪ Establish sustainable partnerships with global telecommunication institution ▪ Fully operationalise the Royal Science and Technology Park (RSTP)
Strategy 3 - To improve 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 ▪ Enhancement of national cyber security ▪ 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 9.3 - Establish Sustainable Secure, Clean and Affordable Energy Sourcing to Support Growth

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 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 high standard of living, quality of life, and wellbeing for all.

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 ▪ Review the Energy Master Plan and National Energy Policy to be in line with developments in the private sector ▪ Strengthen the capacity of existing station and assess the possibility of expanding capacity or safeguard against losses
Strategy 2 – open up 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 5 - 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 9.4 – Strengthening Water Services Sector to Build Resilience

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 and competing demands. But a number of water projects are under implementation such as Mkhondvo-Ngwavuma, Manzini Water and Shiselweni Water Projects.

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

Key Sectoral Outcome Targets	▪ Increase clean water coverage by a further 20% in 2025 ▪ To achieve 85 % coverage by 2025 ▪ Improved coordination of water issues and strengthening of coordination agencies ▪ Improve water governance and compliance to help manage water resources more efficiently and effectively to adapt to resultant water shortages from climate change ▪ Construction started on at least 2 new multi-purpose dams
Strategy 1 - Effectively and efficiently manage and regulate water resource	▪ Strengthen the collaboration with water stakeholders about 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 ▪ Fully operationalise the established decentralised institutions and develop climate resilient catchment management plans ▪ Installation of near-real-time data at the 25 gauging stations ▪ Approve the draft Water Masterplan and Regulations to support implementation of Water Act
Strategy 2 – Increased 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 - Continuing the transition to a new water services industry framework	▪ Construction of bulk water infrastructure to service energy Construction of 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 ▪ Rehabilitation and regular maintenance of rural water infrastructure ▪ Enabling quality waste disposal Infrastructure to protect water sources and improve on quality of water
Strategy 4 - Improve reliability & accuracy of weather and water information through modernisation of hydro-meteorological infrastructure	▪ To strengthen early warning systems and enable disaster and emergency preparedness and action by agencies and households ▪ Upgrading and maintenance of the national meteorological and hydrometric network infrastructure ▪ 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 10 – FINANCING THE NDP

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 introducing 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 socioeconomic 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 Arrears Clearance Strategy already in draft form. 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.

National Resource Envelope 2022/23 – 2026/27

According to the 2022/23 budget estimates, resources required from domestic revenues, external and domestic borrowing and grants are projected at E23.13 billion. For the current medium-term period of 2022/23 – 2024/25, total resources required from all sources are estimated at E66.27 billion. As the FAP is implemented with cuts on expenditure, the required resource envelope is expected to decrease. The total potential resource envelop over this medium term is E72.2 billion.

Table 11: Resource Envelope 2022/23 - 2024/25

Emalangeni millions	2022/23	2023/24	2024/25
	Projc	Projc	Projc
Total Revenue & Grants	**19,247**	**21,761**	**23,047**
Tax revenue	18,205	20,969	22,223
of which: SACU Receipts	5,818	7,500	7,500
Non-tax Revenue	368	382	413
Proposed Revenue Measures	-	-	-
Grants	673	411	411
Net Available Financing	**3,803**	**1,610**	**2,733**
Domestic	1,853	(600)	523
Foreign	1,950	2,210	2,210
Total Potential Resource Envelope	**23,050**	**23,371**	**25,780**

Source: MoF MTFF March 2022

Revenue Mobilisation Strategy

Efforts are focused towards implementing revenue enhancing measures to reduce the financing gap and meet the resources requirements of E3.803 billion for the FY 2022/23. The FAP targeted a 2 percent of GDP adjustment on revenue which has been revised to 0.6 percent of GDP 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 exacerbate further the negative effects on the strategies for economic recovery, debt management and arrears clearance. Furthermore, the mobilisation strategies take cognizant of the fragile economic environment and ensure that revenue measures to be implemented, do not dampen further economic activities during the Plan period. 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.

Expenditures

Table 12: Expenditures 2022/23 - 2024/25

Emalangeni millions (projections)	2022/23	2023/24	2024/25
Total Expenditure	**23,128**	**21,901**	**21,243**
Total Recurrent Expenditure	17,801	16,989	16,880
NA of non-financial assets (capital spending)	5,327	4,912	4,363
- Foreign financed capital projects	1,953	2,051	2,051
- Domestically financed capital projects	3,374	2,861	2,312

Source: MoF MTFF March, 2022

Recurrent expenditures for FY2022/23 is projected to be E17.801 billion and inclusive of statutory allocations – debt service payments, wages and salaries and subventions to state owned enterprises and subscriptions to international organisations. Public investment programme (capital) continues to be treated as a residual after setting the limit for recurrent expenditures, and is set at E5.327 billion, of which about E1.953 billion is financed by through loans and grants, and rest is domestically financed. 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.

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

Development Assistance (Grants)

A 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.

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 fiscus. 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 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.

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 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 education sector, Biotechnology Park, Railways Lothair – Matsapha and Oil Reserve projects. Government’s plan for projects over the Plan period to seek borrowing of concessional financing and invest 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 alternative sources such as PPP 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 needed on the country's image to boost investors and lenders' confidence by improving on the fiscus and PFM.

CHAPTER 11 – RISK MANAGEMENT

Risk is a potential occurrence that might impede the project/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/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 exists 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 National Development 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. The Plan has hence 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 economics and livelihhods.

1. At the domestic level, **political risk** is rating high because of the dualistic nature of the governance system. Therefore, the reforms and the programmes pursued by this Plan are informed by studies and analytical work as well as the nationwide consultations that indicated the need for a strong political will to undertake reforms. Yet 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 geo-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** which means 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 declaration since Economic and Social Reform Agency (ESRA) up to the Strategic Roadmap (SRM) era. The executive and legislature need to champion it and stakeholders to fully utilise it.

3. At the macroeconomic level, **fiscal indiscipline** is identified as a big 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 adjustment programme. The failure will manifest as a result of uncontrolled spending, huge and continuous budget deficits, over borrowing, bloated and inefficient public service, public investment programme that is not focused on growth, 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 overheat as a result of 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 hiking. 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 gives 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 groups. 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. Also, land acquisition delays have stalled and impeded the implementation of key NDP projects resulting into immediate costs to 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, cyber-attack** are increasingly most of the experienced economic crimes which are also sophisticated, with external linkages. Corruption remains one of the high ranking risks as it exhibit 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 and significantly impede

progress towards sustainable development.The table below shows a detailed Eswatini Disaster Risk Profile[51]

Figure 19: Eswatini Disaster Risk Profile

Swaziland Risk Profile

IMPACT \ LIKELIHOOD	Very Likely 5	Likely 4	Moderately Likely -3	Unlikely 2	Very Unlikely 1
Critical 5	25	20	15	10	5
Severe 4	20	16 Drought, Epidemic, Pandemic	12 Floods, Environmental Hazard,	8 Earthquake	4
Moderate 3	15	12 Storms	9 Extreme Weather, Fire	6	3
Minor 2	10	8	6	4 Emerging threat	2
Negligible 1	5	4	3	2	1

RISK = IMPACT X LIKELIHOOD

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

SCALE: HIGH: 25-15, Medium: 14-8, Low: 7-1

[51] 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 14: 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. Public Budgeting Committee to allocate resources according to the NDP priorities.
Political Environment	1	3	3	Moderate	Fast track the National Dialogue and implement the outcomes from the dialogue
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
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 to 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 12 - MONITORING AND EVALUATION FRAMEWORK FOR THE NDP

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, political will and support from different stakeholders to ensure success of the Adjustment programme. At the same time, it calls for close monitoring and supervision of the implementation of programmes and projects. All stakeholders with key roles are expected to adapt, co-operate and work together. The last NDP called for strengthening of central agencies and the Public Policy Coordination Unit (PPCU) to be able to 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 that of promoting transparency and accountability in the utilisation of national resources as the NDP is being implemented. It helps in assessing progress made and identify 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.

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 and improve the confidence of stakeholders and citizens in the capability of government as it accounts for results which should be based on reliable information;
vii. To strengthen partnerships with other implementers and promote learning and sharing of information
viii. To create a new culture of learning from mistakes and good performance

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 capacity and systemic challenges. The following initiatives must be undertaken to ensure progress towards having a robust system and efficient institutions that can monitor and evaluate impact of programmes:

- a M&E system for monitoring the NDP inclusive of SDGs
- a M&E policy – establishing the requirements, roles and capacity development required to establish government-wide systems of monitoring and evaluation. The existing system with Poverty Reduction M&E Division should be strengthened and expanded to cover even 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 no corresponding systems in MDAs which it should be linked to; 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:

There are a number of significant surveys that are currently underway and will be completed by end 2024. 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.

Table 15: Statistical Surveys 2021 -2023

Table : Statistical Surveys undertaken 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

There is a need for continued capacity strengthening for institutions responsible and statistical offices across MDAs along with CSO. A shortage of available data hampers the ability of government and partners to target appropriate interventions, establish evidence-based policies and to monitor progress. Lessons learnt in running the M&E system indicated constraints with the ICT infrastructure in government leading to collapse of the system as it does not have enough bandwidth, more infrastructure development remains to be done. In addition, there are data gaps as some surveys have a lag of five years resulting in incomplete data. Government has received financial assistance from development partners to carry out some of the surveys due to budgetary constraints.

There are a number of limitations and challenges with the current M&E system which have to be addressed to make it fully functional and minimise the risk of it remaining dormant.

(i) To limit the baseline data and targets to a few key indicators where data will be readily available and disaggregated if need be. 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 should be one of the key components of the M&E systems improvement plan.

(v) To align indicators to SDGs and other international ones where government has committed itself to achieve. The decision to use SDG targets allows the NDP to be aligned to the support provided by development partners within a common global framework, resulting in the alignment of funding and interventions being consistent. The objectives are for deepening the M&E framework over the five-year period of the NDP.

(vi) It will be crucial to start monitoring of the NDP implementation on a regular basis and preparations for 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 in the above section that the M&E framework should be strengthened to allow for alignment of key priority indicators with SDGs and progressively with the AU Agenda, NDCs and other agreements. This NDP made the integration of the international agreements and tackling poverty reduction priority and done strategically through sectoral outcomes, strategies and programmes. Tackling the poverty issues for Eswatini should take place on a multi-dimensional basis as SDGs already have a framework.

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

Development of the Monitoring & Evaluation Policy

Government will develop its monitoring and evaluation policy to guide how monitoring and evaluation will be done, the institutions involved, their capacity needs and how reporting will be done. MEPD will take the leadership in developing the policy and the Poverty Reduction M&E Division will coordinate the M&E function and liaise closely with MDAs that are implementing programmes and projects as well as implementing SDGs. It 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 should spell out:

- Monitoring and evaluation capacity building and how capacity will be built for the different institutions to be involved.
- 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
- 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 have the mandate for Poverty Reduction M&E Division and CSO, thus it becomes the guardian of the policy with the Central Statistics Office having the mandate for the collection, dissemination and publication of national statistics. The Poverty Reduction M&E Division and PPCU sharing the mandate for oversight of all monitoring and evaluation in the national system. The Sectoral division takes responsibility for capital programme.

Considering the fiscal crisis faced by the country, development planning and budgeting adopted a different approach to manage public finance which was guided by the PFM Act (2017) with Regulations still awaiting Parliament approval, but needs to be supported by a defined policy. A number of challenges have been faced related to implementation, monitoring, evaluation, control of expenditure, allocation of resources—poor prioritisation and commitment; inconsistent follow-up; insufficient data; lack of accountability; and insufficient mobilisation of financial 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 focusing on national outcomes and strengthening the national M&E framework[52], which is lacking. 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:

[52] 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

- 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.

Focus on Priorities of Priorities

An assessment of the performance of the last NDP indicated that priorities remain relevant. Eswatini continues to face 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. That is, in the immediate, only projects with highest impact and highest marginal returns, achievable with least cost are considered for implementation/funding (optimization 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, private sector, academia and research institutions. Selection of priorities of priorities for focus are based on the implementation of policy reforms to attain key priority areas of macroeconomic stability, good governance, agriculture and food security, sufficiency in energy through renewables, digital investments and efficient transport system.

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 from all MDAs and parastatals as government's plans to achieve economic recovery and growth are ambitious, and are a responsibility for the public sector with assistance 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 will 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 overseen by the Sectoral Unit and MPUs (Economic Planning Office) in the MEPD working closely with the Ministry of Finance to drive implementation and ensure accountability.

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 the NDP to be successfully implemented, with all NDP sectoral outcomes and strategies having adequate funding. The NDP will be funded primarily through the budget, based on current MTFF forecasts deficits totalling EXXX billion over the Plan period 2022/23-2024/25 in accordance with the FAP. Government will work with stakeholders to ensure that the assistance they provided responds and aligns to the national priorities and is 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. 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.

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.

Monitoring, Drive Progress and Communication

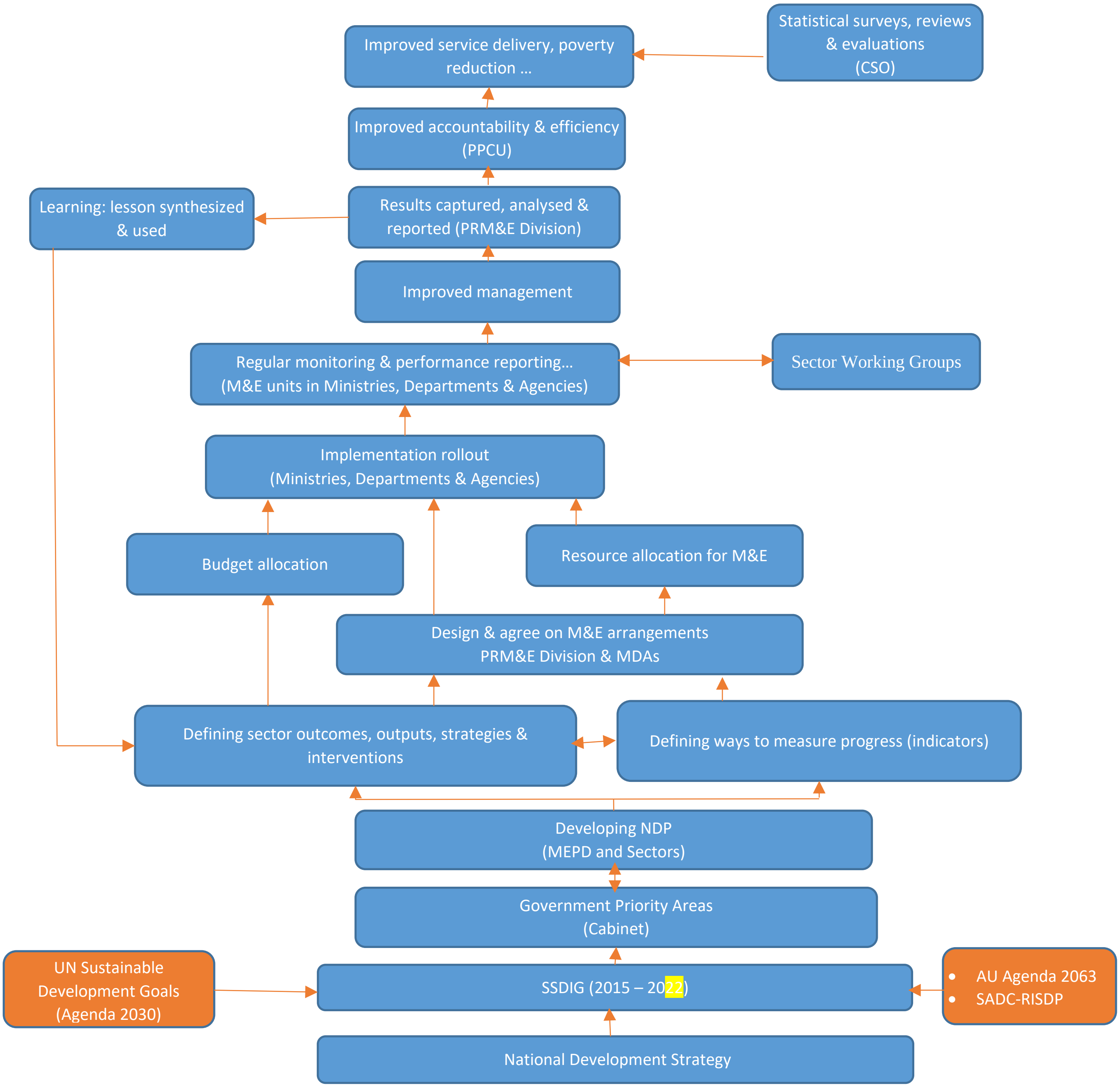
As stated under the proposed M & E policy framework, Government will establish robust delivery and monitoring mechanisms to ensure implementation of the programmes outlined in the NDP. The MEPD will be responsible for statistics, the coordination and monitoring of the Plan. In addition, the PPCU under the PMO and institutions responsible for climate change, environment and disaster will provide another layer of M&E, in support of the sectoral division of MEPD, Poverty Reduction M&E Division and ACMS. PPCU will focus on the top execution priorities and work closely with MDAs to articulate actionable measures to be taken against any identified constraints. Institutions should invest in systems and be staffed by highly skilled and respected individuals, to drive implementation and be able to monitor and evaluate impact. 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. Half yearly progress reports will be presented to the Minister and the Cabinet, and results communicated to 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, 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

Social 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



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 to 2027/28. The main responsibilities shared between implementing MDAs, Poverty Reduction M&E division (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
- 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

- Poverty Reduction M&E division is the responsible unit for the overall monitoring of the NDP as well as other national, regional and global policies and strategies. It specifically is responsible for amongst other things to:
- Lead the designing of the national M&E system and policy. Implement as well as 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;
- 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 review, using a grading system/monitoring of policy implementation. However, on climate change, environmental and disaster risk, there will be close collaboration between PPCU, Poverty Reduction Unit and related institutions in M&E 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 like the Sustainable Development Goals (SDGs), AU Agenda 2063 as well as 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 & 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 program design.

Information Resourcing

Data for M&E of the NDP is mainly obtained from two key sources, namely, the socioeconomic 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 NDMA and Environmental Authority. As a consequence, the institutions should 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. 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 Poverty Reduction and M&E Division is responsible for coordination and to provide 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, timely flagging of issues to be addressed by senior decision-makers for course correction, easily 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 Poverty Reduction M&E Division of the MEPD will review the quality of the reports and hold half-yearly sectoral progress review meetings. PPCU will be responsible for annual performance review of the national and sectoral outcomes.

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 NDP. Some statistics will be sourced from the Central Bank, MoF, line ministries, parastatals and international organisations such as World Bank, IMF data banks. They also have a responsibility to manage statistics and management information relevant to the NDP. Coordination with development partners 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 intension 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 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. 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 12 – CONCLUSIONS

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. For the country to find itself in the current economic quagmire is not by default, the signs were there yet the work was not put in to turn the tide. Lack of political will to implement reforms and poor governance 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 ailing economy.

The Government will respond to the challenges and deliver against rising public expectations according to populations dynamics e.g. youth empowerment, gender equality and keeping with technology trends. In implementing the NDP, the government will vigorously work towards regaining 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[53]. Also, focus on enhancing productivity of the public service 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 SRM launched a change of the face of civil service by advocating for the culture of excellence and agility which this NDP is supporting for implementation during the Plan period. It went further to promise 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 of service delivery suited to creating a conducive environment for private sector growth, good governance, poverty reduction and respect for the rule of law. If the NDP is implemented with commitment, 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 drawn from sectoral development plans. The message is clear, for Eswatini to turn around the present socio-political and economic crisis, it must have the political will to implement policy reforms with commitment. Eswatini can advance in political, economic, social, and environmental terms.

[53] Implementation of SDGs will contribute significantly to improvements in lives of ordinary Swazis and fighting poverty and inequality.

Performance Analysis and Stakeholder Consultations

Sectoral analysis was carried 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 all focus on fiscal consolidation (stopping the bleeding) followed by reforms such as proper planning, robust investment promotion, policy and legislation reform, enhanced private sector participation, increased productivity, and good governance so that the country enjoys peace and stability and human capital and social sectors of the economy are 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 young, 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, that of investing in a better future for the next generations. Their input is summarized as below:

Economy

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. 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.

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, economic growth will contribute towards macroeconomic stability and poverty reduction.

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 should be explored further. The private sector must ensure their business activities are compliant, protect the environment and exercise social responsibility.

Governance and Public Service Delivery

i. Government is expected to show strong leadership and leave no vacuum in decision making. It should 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 have been strengthened for they must serve with integrity and commitment embracing the culture of excellence and ethics. Government must 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, 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 and civil society to actively participate in the delivery of public service.
v. All development programmes must be aligned to the NDP and be used to guide budget allocations and resource mobilisations. The NDP has incorporated SDGs, AU agenda 2063 and other priority international commitments.

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 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-priviledged.

v. Government will ensure significant investments in the education and health sectors so that the population enjoy 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 prioritized 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).

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 upgrading physical infrastructure to enhance access and connectivity, public transport system, improving logistics and trade facilitation, increasing broadband coverage and 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.

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 should be well prepared for natural disasters, supported by advanced systems for early warning and national emergency response, recovery, and reconstruction. Government should be committed to protecting and preserving the environment for sustainability of infrastructure and the wellbeing of future generations.
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 to 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.

iv. Promotion of low carbon and renewable sources of energy should be accompanied by environmentally friendly practices which encourage recycling, reuse, 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 and health facilities in view of the disasters being experienced; to build resilience, energy and water efficiency.
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 must be guided by land use planning policy and environmental laws.

Social Cohesion and National Unity

i. Peace and stability seems to be slipping away leaving a divided nation. Restoring national unity is critical for peace and stability. Stakeholders are eagerly waiting for the national dialogue announced at the beginning of 2022 to take place and bring together the different stakeholders for reconciliation and amicable way forward.
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 inequalities.
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 not be used to discriminate as it belongs to all Swazis.
iv. The nation feels government has taken over responsibilities for keeping families and children in harmony and peace 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 have 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 on an all-time high. The Anti-Corruption Unit will be strengthened through capacity building, systems and empowered to tackle cases.

Summary

i. As was articulated in Vision 2022 and the previous NDP, Swazi people want to see reforms being implemented to improve governance, save the economy from further collapse, improve people's lives, fight corruption and implement measures towards saving the environment and building resilience against climate change impact. Achieving peace and stability is paramount where all members of the society will enjoy an improved state of wellbeing with investments made towards building a strong productive future for present and coming generations, where education and health systems are robust and vibrant ready 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 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. The NDP will guide the development agenda and its implementation be monitored and evaluated.

ii. This NDP aims to restore the clearly defined development planning structure 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 that it follows the development plan.

iii. The NDP is also a result of wide spectrum of consultations 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 16: Monitoring and Evaluation Framework

Target	Indicator	Baseline	Data Source	Champion
National Outcome 1 - Good Governance, Economic Recovery & Fiscal Stability				
Annual Growth Rate of GDP at 5% starting from 2024	Annual GDP Growth rates	-1.9%	2020 Economic & Review Outlook	MEPD
Increase Agricultural Value Addition to 15% of GDP by 2027.	Agriculture value added as a % of GDP	4.9%	Economic & Review Outlook 2021/22	MEPD
	Agricultural employment as a proportion to total employment	13.5%	LFS, 2021	MoA
Increase Manufacturing Value Addition to 40% of GDP by 2027	Manufacturing value added as a % of GDP	26.9%	Economic & Review Outlook	MCIT
	Manufacturing employment as a proportion of total employment	12.4%	LFS,2021	MCIT
To consolidate and clear all arrears by 2025	Amount of arrears cleared per year	E2.560 million	MTFF Oct 2021	MoF
Stabilise public debt to 50% of GDP by 2025 and to 35% of GDP by 2027.	Total Public debt stock as % of GDP	43 %	MTFF Oct 2021	MoF
Reduce fiscal deficit to be less than 5 % of GDP by 2027	Fiscal Deficit as a percentage of GDP	6.3 %	MTFF Oct 2021	MoF
Sum of wage-bill and transfers brought to 45% of total expenditures per annum till 2027	Wage-bill & Transfers as % of total expenditure	53.9%	Annual Reports	MoPS
Reduce wages as a percentage of recurrent expenditure to less than 43%	Wages as a percentage of recurrent expenditure	49.7%	Annual Reports	MoPS
Reduce recurrent expenditure as a percentage of total expenditure to less than 75%	Recurrent expenditure as a percentage of total expenditure	78.3 %	MTFF Oct 2021	MoF
	Total grants received	US$ 254.2 million	External Assistance Report 2018/19	MEPD

Target	Indicator	Baseline	Data Source	Champion
SACU receipts as a % of total revenues	SACU receipts as a % of total revenues	27.7%	MTFF Oct 2021	MoF
Gross official reserves increased to above 4 months of imports cover by 2027	Gross official reserves months of import cover	3.5 months	CBE	MoF
Maintain an average inflation rate of between 3% – 6% per annum till 2027	Average inflation rate per annum	4.7 %	2020 Economic Bulletin	MEPD
National Outcome 2 - Enhanced & Dynamic Private Sector Supporting Sustainable & Inclusive Growth				
Increase Nominal export growth to be greater than 12% by 2027.	Nominal export growth (%)	2.7%	ERS	MCIT & Industry
Proportion of exports destined to SACU region as % of total exports to greater than 65% per annum till 2027	Proportion of exports destined to SACU region as % of total exports	69 %	2020 Economic Bulletin	MEPD
	Proportion of imports sourced from SACU as % of total imports	73%	2020 Economic Bulletin	
Improve the overall world Business Enabling Environment (BEE) ranking	Overall World Business Enabling Environment (BEE) ranking	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		World Bank	MCIT
Average electricity inflation per year brought down to 5% beginning in 2023	Average electricity inflation per year (%)	> 15%	Annual Reports	MNRE
Skills-gap reduced from 47.1% to 42% by 2027	Percentage skills-gap per annum	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	7.2 %	ERA	MOF
Reduce overall unemployment rate to 20 percent by 2027	Unemployment rate (%)	33.3%	LFS 2021	MOLSS
Reduce youth unemployment from 58.2 to 30 percent by 2027	Youth unemployment rate	58.2	LFS 2021	MSYC
	Proportion of youth (aged 15-24 years) not in education, employment or training (NEET)	35%	LFS 2021	MSYC
Harness the demographic dividend by creating opportunities for the youth to create 1500 jobs per year commencing in 2024	Number of youth benefitted from the Rural Development Fund, Youth Enterprise fund, Inhlanyelo Fund	No data	Annual Reports	MSYC

Target	Indicator	Baseline	Data Source	Champion
Significant increase in number of new businesses started 20% and in survival rate by 20% per year starting in 2024	Number of functional youth enterprises	No data	SMME Annual Reports	MCIT
Increase number of new jobs to above 4000 by 2027	Number of net new jobs created per year	4,917 jobs	EIPA 2019 Annual Reports	MCIT -EIPA
Non-Performing Loans brought down from 18% to 12% by 2027	Non-performing loans as % of credit extended	18%	Annual Reports	MOF
Increase the number of industrial estates to 4 by 2027	Number of industrial estate developed	3	Annual Reports	MCIT
	Percentage of export with value addition and beneficiation of local primary products	32%	Annual Reports	MCIT
	Percentage of SMEs with access to finance	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	13.4% : 2.2%	CBE	MCIT
	Ratio of Agriculture growth rate to Tertiary sector growth rate	4.9 : 2.2	CBE	MOA
Increase agriculture sector growth by 1.6% annually, beginning in 2024	Annual growth rate of the agriculture sector	1.5	CBE	MOA
Improve agriculture sector contribution to employment creation by at least 6000 jobs in the next 5 years, translating to 1200 jobs/year to 2027	Number of jobs created in the agricultural sector per year	37140 (LFS 2016) 32660 (LFS 2021)	MoA	MCIT
Increase maize production to 140 000mt per annum	Maize production (tons) per year	100,041.6 MT	VAA 2021/22Reports	MoA
Increase export oriented agricultural production from 6% to 11% starting from 2023	Annual agricultural exports growth rates	6%	Annual Reports	MoA
Reduce post –harvest losses in maize production from 35-42%	Percentage of post-harvest loss (Maize)	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	15	Annual Reports	MoA
Enhanced tourism attracting sites	Number of international tourists visited Eswatini annually	295 355	March 2022 ETA Report	ETA
	Number of domestic tourists	210 705	March 2022 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	-1.3%	2020 Economic Bulletin	MCIT

Target	Indicator	Baseline	Data Source	Champion
National Outcome 3 - Enhanced Social & Human Capital Development				
Reduce maternal mortality rate from 452 to 300 per 100,000 live births	Maternal mortality rate	452 per 100,000 live births	NHSSP 2019	MoH
Reduce new-born deaths from 20 to 15 per 100 live births	Neonatal mortality rate	21 per 1 000 live births	NHSSP 2019	MoH
Reduce under 5 stunting from 20% to 14% by 2027	Prevalence of stunting for children under 5 by sex	20%	NHSSP 2019	MoH
Reduce HIV incidence from 1.36% to 0.4%	HIV incidence 15 – 24 years	1.36%	NHSSP 2019	
Reduce risk of premature mortality from cardiovascular diseases, cancer, diabetes, or chronic respiratory diseases from 21% to 20%	Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease per 100 000	Cardio Vascular diseases 5.5 Diabetes mellitus 7 Cancer 11 Chronic Obstructive Pulmonary Diseases 3.2	NHSSP 2019	MoH
Participation rate of children aged 5 years increased from 40% - 52%.	Participation rate of children aged 5 years	40%	Annual Education Census 2018	MoET
Increase primary retention rate from 92% - 94%	Retention rate primary	91.37 %	EHIES, 2016/17	MoET
Improve secondary retention rate from 83% - 87%	Retention rate secondary	83%	Annual Education Census	MoET
Increase secondary enrolment rates from 46.3% to 55% in 2025	Lower secondary net enrolment rates	46.3%	Annual Education Census	MoET
Reduce Out of school children (OOSC) 17% - 13.5%	Out of school children (OOSC)	17%	EMIS	MoET
Increase percentage of TVET graduates absorbed by labor market 60% - 70%	Percentage of TVET graduates absorbed by labor market	60%	EMIS	MoET
Percentage of secondary schools adhering to SCCS standards <1% - 100%	secondary schools adhering to SCCS standards	0%	EMIS	MoET
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	58.9%	EHIES, 2017	MEPD
Reduce percentage of people living in extreme poverty from 20.1 percent (EHIES 2017) to at least 17 percent by 2027	Extreme poverty rates by sex, residence and regional	20.1%	EHIES, 2017	MEPD

Target	Indicator	Baseline	Data Source	Champion
Reduce the working poor from 38.9 percent (EHIES 2017) to at least 34 percent by 2027	Proportion of the working poor population	38.9%	EHIES, 2017	MEPD
Improve the Multidimensional poverty index from 0.081 to 0.05 in 2027.	Multidimensional poverty index	0.081	HDR 2019	MEPD
Reduce child poverty rate from 56.5% in 2016 to 40% in 2027.	child poverty rate	56.5%	EHIES, 2017	MEPD
By 2020, 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))	35.0%	LFS, 2021	MYSC
Reduce youth unemployment from 58.2 % to at least 30% by 2021	Youth unemployment rate	58.2%	LFS 2021	MYSC
	Number of youth businesses awarded tenders annually	No data	Annual Reports	MYSC
	Number of youth business beneficiaries in finance and financial services	No data	Annual Reports	MYSC
	Number of thriving youth businesses and those that have transitioned from the informal economy to the formal economy under this programme	No data	Annual Reports	MYSC
	Survival rate of youth businesses	No data	Annual Reports	MYSC
Increased access to safe/potable water by 10% by 2027, (Annual increase by 2%).	Proportion of population with access to safe portable water	75.6%	EHIES 2016/17	MNRE
Increased water coverage from 56 % to MNRE	water coverage	56 %	SMICS, 2014	MNRE
Increased access to sanitation from 53% to 85% by 2027	Proportion of population with access to safely managed sanitation services.	53.68%	EHIES 2016/17	MNRE
Reduce Open Defecation from 11% to 5% by 2027	Proportion of population practicing open defecation.	11%	SMICS, 2014	MoH
Increased access to hygiene from 26% to 50% by 2027	Access to hygiene	26%	SMICS, 2014	MoH

Target	Indicator	Baseline	Data Source	Champion
50% of women decision makers in cabinet as per SADC Gender and Development Indicator	Percentage of women decision makers in cabinet;	29%	National Elections Report 2018	DPMO
50% of women decision makers in the judiciary as per SADC Gender and Development Indicator	Percentage of women decision makers in the judiciary;	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	22%	National Elections Report 2018	DPMO
Investigte and sentence 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;	48.2%	SWAAGA	MoJCA
Improve food and nutrition security by 10% annually, starting from 2023	Prevalence of undernourishment/underweight for children under 5 by sex	5.8%	SMICS,2014	MoA
	Prevalence of stunting for children under 5 by sex	25.6%	SMICS,2014	MoA
	Prevalence of wasting for children under 5 by sex	2.0 %	SMICS, 2014	MoA
	Prevalence of overweight for children under 5 by sex	9%	SMICS,2014	MoA
Increase production of maize to 140 000mt per annum	Amount of metric tonnes of maize produced per annum	100,041.6 MT	VAA 2021/22	MoA
Percentage agricultural land increased from 71.9% to 73.5%	Percentage of agricultural land	71.9%	VAA 2021/22	MoA
Increased number of OVC population covered by social protection by sex.	Number of OVC population covered by social protection by sex.	60 373 beneficiaries	Social Security Inquiry (SSI) report (2021).	DPMO
Increased number of older persons, covered by social assistance programmes by sex.	Number of older persons, covered by social assistance programmes by sex.	75 481 beneficiaries	Social Security Inquiry Report 2021	DPMO
Increased number of persons with disabilities covered by social assistance programmes.	Number of persons with disabilities covered by social assistance programmes	9 654 beneficiaries	Social Security Inquiry Report 2021	DPMO
Number of children supported.	OVC Cash Transfer	13506 beneficiaries	Annual Reports	DPMO

Target	Indicator	Baseline	Data Source	Champion
Improve registration of vital statistics especially births	Percentage of registered births	26 719 children under 5 years	Civil Registration and Vital Statistics Report 2019	MoHA
Proportion of persons covered by the National Health Insurance fund increased.	Proportion of persons covered by the National Health Insurance fund per year	no data	Annual Reports	MOLSS
Proportion of injured persons covered by the Workmen's Compensation Fund increased.	Proportion of injured persons covered by the Workmen's Compensation Fund per year	1158 persons	Annual Reports	MOLSS
Proportion of persons covered by the Unemployment Benefit Fund increased.	Proportion of persons covered by the Unemployment Benefit Fund per year	0	Annual Reports	MOLSS
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	No Data	Perceptions survey report	MoPS
	Number of trained Traditional Leaders	1000	Annual Reports	MoPS
	Number of trained Politicians and Local Government	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	MoF – Treasury department MCIT – Company registration, licences renewals MoH – CMIS MoHA- Travel documents	e-Governemt Report	Cabinet
	Labour systems harmonized with education systems.	No data	Annual Reports	MICT
	Number of current births and deaths registered in hospitals	No data	Client Management Information System	MoH
Self-driven and productive public servants – culture of excellence	Number of trainings for civil servants	No data	Annual Reports	MOPS
Reduced backlog of cases and increased timeliness of case processing	Number of backlog cases processed per annum.	FY/2000 -2015 cases finalised	Annual Reports	MJICA
Increased adherence to Constitutional dictates	Number of laws aligned to the Constitution	14	Performance Reports	MJICA
Improve on governance and combat corruption – make progress ranking in the Corruption Perception Index	National Corruption Perception Index	37.4%	National Corruption Perception Survey Report 2017	MJICA
To reduce criminal activities and improve credibility of the justice system	Crime rate	33.71%	Numbeo.com	RSP

Target	Indicator	Baseline	Data Source	Champion
Strengthen international relations for improved country image	External Aid Assistance	US$ 254.2 million	External Aid Assistance Report 2018/19	MEPD
Nation building and unity to restore peace and stability through reducing human trafficking	Percentage of human trafficking	No baseline	Annual Reports	PM
Investments in human capital development and safety nets to grow by 40 percent	Proportion of urban population leaving in cleaner environment	60%	Annual Reports	MHUD
	Percentage of road resurfaced to bitumen standard and fitted with storm water drains	70%	Annual Reports	MHUD
	Percentage of well-planned human settlements though out the country and improved life quality for residents	70%	Annual Reports	MHUD
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	75.6%	EHIES, 2016/17	MNRE
Increase clean water coverage by a further 20% in 2027 to achieve 85% water coverage by 2027	Water coverage	56%	MICS	MNRE
Achieve access to adequate and equitable sanitation and hygiene for all by 2027	Proportion of population with access to safe sanitation	53.68%	EHIES, 2016/17	MoH
By 2027 put in place a policy for land use	Number of policies and regulations established	No policy	Annual Report	MoA
Develop a Natural Resource Development Strategy by 2027	Natural Resource Development Strategy	Energy Masterplan, 2018	Annual Report	MNRE
Ensure universal access to affordable, reliable energy services	Proportion of household with access to electricity	82%	2021 Annual Report	MNRE
	Proportion of household with primary reliance on clean fuels and technology (electricity, solar power, LPG)	Lighting 64.38 Heating 14.64 Cooking 32.50	EHIES, 2016/17	MNRE
Provision of electricity power is secured domestically by 2025 to support private sector growth	MW of electricity generated domestically per year	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	2021 Annual Report EEC	MNRE

Target	Indicator	Baseline	Data Source	Champion
The proportion of renewable energy as a source of power increased by 50% domestically by 2027	Proportion of renewable energy generated domestically per year	30% of total consumption and 100% of local generation	EEC	MNRE
50% Progress towards attaining sustainability towards fuel supplies achieved by 2027	Fuel Reserve capacity in litres	2-3 Days (4.4 Million Litres)	Annual Report	MNRE
Increase community knowledge on climate change resilient by 2027	Proportion of communities sensitised with climate change resilient knowledge		Annual Report	MTEA
Adopt clean and environmentally sound technologies and industrial processes that reduce carbon emissions.	Total emissions of CO2 in the country	1090 kt	2018 theglobaleconomy.com	MTEA
Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services. s	Total forest area	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.	0	Feasibility Studies	MPWT
	Number of capital expenditure projects with net benefit approved in a year.	0	Annual Report	MPWT
Paved roads coverage increased from 1626km to 1948km by 2025	Proportion of gazetted road network accessible all year round	Paved roads 1523 km Unpaved roads 1666 km Feeder roads 2067 km	Roads Department 2020 Report	MPWT
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	Mpaka 0 tones Matsapha 55 700 tones	Annual Report	MPWT
Improve and upgrade buildings and housing to climate resilient infrastructure by 2027	Number of buildings with climate smart plans/feasibilities studies approved.	None	Annual Report	MPWT
Improve reliability & accuracy of weather information through modernisation of weather infrastructure by 2027	Number of fully equipped weather stations		Annual Report	MTEA
Improved coverage, quality, reliability and affordability of digital infrastructure by 2027	Proportion of population with access to 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/		Annual Report	MCIT
	Fixed broadband width speed and availability	1625.52 KBps	Swaziland Internet Speed 2022	
Provision of electricity power is secured domestically by 2025 to support private sector growth	MW of electricity generated domestically per year	60.4 MW hydro- utility 2 MW Hydro -own consumption 105 MW Biomass	2021 Annual Report EEC	MNRE

Target	Indicator	Baseline	Data Source	Champion
		10 MW Solar PV-utility 17 MW Solar PV-own consumption 2.2 MW Coal-own consumption		
The proportion of renewable energy as a source of power increased by 50% domestically by 2027	Proportion of renewable energy generated domestically per year	10 MW Solar PV-utility	2021 Annual Report EEC	MNRE
50% Progress towards attaining sustainability towards fuel supplies achieved by 2027	Fuel Reserve capacity in litres	2-3 Days (4.4 Million Litres)	Annual Report	MNRE
Increase clean water coverage by a further 20% in 2025 to achieve 85% water coverage by 2025	National coverage of clean and safe water	56%	MICS	MNRE
Construction of at least 3 new multi-purpose dams by 2027.	Number of multi-purpose dams constructed	none		MNRE

Table 17: Linking NDP to Regional, Continental & International Development Frameworks

RISDP	African Union (AU) Aspirations	Sustainable Development Goals	Sendai Framework	NDC
1. Good Governance, Economic Recovery and Fiscal Stability				
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 socioeconomic 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 wellbeing. **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 18: 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 Management Information System in Eswatini (IFMIS)	99	100,354	90,354	-	10,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 & Dynamic Private Sector Supporting Sustainable & 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
	10	F026 Strategic Fuel Reserve Depot	86	64,897	64,897	-	-	-	YES
	20	Upscaling the Agricultural Production Tunnels Project	-	25,000	-	-	-	25,000	YES

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 & 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 & Human Capital Development									
	06	Establishment of Social Protection Fund Safeguard for Livelihoods of the Vulnerable and At-Risk Communities (Part I)	-	500,000	-	-	-	500,000	YES
	06	Establishment of Social Protection Fund Safeguard for	-	100,000	-	-	-	100,000	YES

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
		Livelihoods of the Vulnerable(Part II)							
	06	Establishment of Human Capital Development for Early Childhood Care and Developmeent	-	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 & 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, Rehabilition 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	Revitalization/Modernization 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
	23	H362 Construction of the National Referral Hospital	94	-	-	-	150,000	-	YES
	23	H362 Construction of the National Referral Hospital	93	-	-	-	150,000	-	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	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 Centers 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
	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

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 Center and Co-operative Development and Education Center (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 Center 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 & 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	FUNDER	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 Center and Co-operative Development and Education Center (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 & 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 & the Rule of Law									
	41	Management Audit: Comprehensive Public Service Reform	-	2,500	-	-	-	2,500	YES
	41	Perfomance 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 Costruction of Parade Police Grand Stands	99	75,000	52,153	14,000	8,847	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	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 & 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 Firefighting Equipment & Specialised Vehicles	99	118,491	96,027	10,000	12,464	-	NO
	26	P306 Replacement of Firefighting Equipment & 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
	49	P315 Rehabilitation of Prisons	99	262,223	182,223	40,000	40,000	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 Modernization 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
	43	G629 Cyber Security	70	6,072	-	6,072	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 & 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
	30	E397 Emergency Response and Rehabilitation of storm damaged Government	99	187,509	167,509	20,000	-	-	NO

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
		Schools and Public Institutions Phase I							
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
	10	Nondvo Dam Project	-	1,200,000	-	-	-	1,200,000	YES

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 & Nondvo Dams	55	82,500	82,500	-	-	-	NO
	10	W370 Feasibility Study- Mkhondvo & 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 center (ICC)	63	1,953,462	860,462	-	1,093,000	-	NO
	23	G585 Construction of an International Convention center (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

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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
	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

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 & MR2)	95	900,000	40,000	-	860,000	-	NO
	53	T506 Construction of Bulembu-Pigg's Peak-Magoga Road (MR20 & MR2)	99	47,985	28,033	-	19,952	-	NO
	53	T507 Construction of Lukhula-Big Bend Road (MR16)	95	545,266	545,266	-	-	-	NO
	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

NDP ALIGNMENT	HEAD	PROJECT	FUNDER	TOTAL PROJECT COST	ESTIMATED EXPENDITURE TO 2021/22	BUDGETED 2022/23	PLANNED	DEFFERRED	PROJECT IN MASTERPLAN?
	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 maintanance 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 19: 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; ▪ Embrace 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
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; ▪ Decentralistion 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;	▪ Land Affairs Department; ▪ Deeds registry; ▪ Property Valuation;	▪ Administration – Land Affairs, ▪ Deeds Registry, ▪ Conveyancing, Water Affairs,

HEAD	Ministry	Mandate	Departments	Responsibilities
		▪ 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.	▪ Surveyor General; ▪ Water Affairs Department; ▪ Energy Department; ▪ Geological Survey; ▪ Minerals and Mines Department.	▪ 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; ▪ Plan and implement 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.
23	Economic Planning and Development	▪ Co-ordinate and promote effective planning, resources mobilization and utilization; ▪ 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 & Management Poverty Reduction, Population Directorate, SADC Unit ▪ Central Statistics Office; ▪ Millennium Projects Unit; ▪ Micro Projects Coordination Unit.	▪ National Economic 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 Development	▪ 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;

HEAD	Ministry	Mandate	Departments	Responsibilities
				▪ Create an efficient land market; and ▪ Provide institutional housing and maintenance.
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.

HEAD	Ministry	Mandate	Departments	Responsibilities
34	Finance	▪ Promote Macroeconomic stability by formulating and implementing fiscal and financial policies that optimize 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 which will 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 organizations; ▪ 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).

HEAD	Ministry	Mandate	Departments	Responsibilities
41	Public Service	▪ Ensure a qualitative, responsive, meritorious, and of the right size Public Service to support national development challenges.	▪ Management Services Department; ▪ Civil Service Commission; ▪ Human Resource and Administration; ▪ Human Resource Development.	▪ General public service management; ▪ Performance improvement; ▪ Development and utilization 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.

HEAD	Ministry	Mandate	Departments	Responsibilities
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 modernized 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.