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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FOURTH COUNTRY PROGRAMME FOR SWAZILAND*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
January 1987-December 1991	IPF for 1987-1991	3 875 000
	Balance from third cycle	<u>142 000</u>
	Total	4 017 000

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* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. Economic growth in Swaziland averaged 7 per cent per year during the 1960s and 1970s and per capita income peaked at nearly \$US 1,000 in 1980. Since then, however, the drought of 1981-1983, damage from Cyclone Domoina in 1984, the world recession and the fall in sugar prices have all contributed to reducing growth in gross domestic product (GDP) to an average level of 3 per cent per year which is expected to continue throughout the 1980s. Consequently, as the annual population growth is 3.6 per cent, per capita income is currently falling at 0.6 per cent per year. For the 1990s the World Bank estimates that the economy has the potential to grow at 5 or 6 per cent, with a per capita income growth rate of approximately 1.5 - 2.5 per cent.
2. The relative economic stagnation of the present decade, coupled with the high growth rate of the population, is converting Swaziland from a labour deficit to a labour surplus economy and unemployment may be expected to increase rapidly for the foreseeable future. It is estimated that by the year 2000 the number of adults requiring work will have risen from the present level of 385,000 to 650,000.
3. In the productive sectors of the economy (agriculture, industry and mining) the main growth potential is in the small farm sector on Swazi Nation Land (SNL), which comprises 56 per cent of the land area, and in the development of secondary industries. The large-scale privately owned farms on Title Deed Land (TDL) will not be able to maintain the rapid expansion (10 per cent per annum) of recent years and new investment in the mining sector is unlikely until world coal prices improve.
4. The Swazi economy is exceptionally open to external influences. Imports and exports combined account for over 150 per cent of GDP and Swaziland is closely linked to the South African economy through membership of the South African Customs Union (SACU) and the Common Monetary Area (CMA). Consequently, the growth prospects outlined above would be seriously affected if the world economy slipped back towards recession or if there were serious disruptions in South Africa.

B. National development strategies

5. In view of the openness of the Swazi economy and its close links to the South African economy, the Government's range of macro-policy instruments is limited to fiscal policy. Even in this area, with 60 per cent of its revenue deriving from SACU receipts, the Government has relatively little control over its financial base and is confined to initiatives and activities financed by public expenditure.
6. Within this context the Fourth National Development Plan (1984-88) is formulated as an indicative plan, defining the problem and indicating possible development strategies or options at the macro-economic level. It does not include specific projects, but foresees that ministerial and departmental proposals for new projects will be selected each year as part of the budgetary process. In practice it has been found that the process of project selection has been somewhat ad hoc

and determined mainly by the exigencies of budget preparation in a decreasing revenue environment. Within the framework set by the Plan, the following sectors are seen as meriting priority government action.

7. The civil service requires streamlining and the level of general, financial and personnel management needs to be upgraded. More co-ordinated use also needs to be made of available training programmes and operational assistance (OPAS) expertise so that localization goals can be achieved.

8. Targets in the agriculture sector for the year 2000 are to achieve self-sufficiency in maize, increase production of other small-holder crops and to provide up to 550,000 jobs. To achieve these objectives, production of crops and livestock on SNL would have to grow at 7 per cent per year. This growth rate is extremely unlikely, but must be aimed for if unemployment is to be kept to a minimum.

9. In both the health and education sectors the basic infrastructure is in place and the emphasis during the Plan period is mainly on improving the quality of the services delivered. Some expansion of vocational and trade training is required and this will also facilitate the development of the industrial sector where considerable potential exists for expansion of resource-based and particularly export-oriented secondary industries. In the health sector there is considerable scope for expanding family planning services and population education.

C. Technical co-operation priorities

10. Since the release of the Fourth National Development Plan in December 1984 the World Bank has produced a Country Economic Memorandum (1 Nov. 1985) and sectoral studies in the fields of Population and Health, Agriculture, Industry and (as part of a regional study) Public Administration Management, as well as financing a National Manpower Survey (executed by the International Labour Organisation (ILO)). Using these studies and other materials a National Technical Co-operation Assessment and Programme (NATCAP) mission undertook a review of Swaziland's technical co-operation requirements in July-August 1986 and their findings and recommendations form the basis of this section.

11. Virtually all recent studies agree that (a) the absorptive capacity of the Public Service should be improved; (b) the relevance and impact of technical co-operation should be enhanced and (c) that more attention should be given to developing a project pipeline. With success in these areas it is expected that higher levels of donor co-operation could be reached without significant difficulty.

12. The NATCAP report sets out a number of measures to achieve these objectives as follows: (a) One or more organization and management teams are needed to examine the functions and operations of the Civil Service with a view to making it more effective in development administration and management; (b) The planning needs of both the central and line Ministries should be reviewed and, where appropriate, strengthened by institution building support; (c) A focal point should be established in the Department of Economic Planning and Statistics (DEPS) to

prepare, monitor and evaluate all technical co-operation activities; (d) Public administration and management training through the Swaziland Institute for Management and Public Administration (SIMPA) should be upgraded; (e) On the basis of the findings of the National Manpower Survey, a comprehensive programme of academic and on-the-job training should prepare Swazis to take over from expatriates. In the mean time gaps continue to be filled by OPAS-type experts and volunteers.

D. Aid co-ordination arrangements

13. DEPS is the lead agency for aid co-ordination in Swaziland and the Principal Secretary of DEPS chairs a meeting of Development Assistance Committee (DAC) donors approximately every six months to discuss issues of common interest. UNDP assists in the organization of such meetings. Ad hoc meetings of DAC donor representatives are chaired by the UNDP Resident Representative to discuss particular issues or meet visiting missions.

14. As a follow-up to the NATCAP, a workshop for donor representatives and government officials, scheduled for late 1986, will review the NATCAP report and propose follow-up measures that will strengthen aid co-ordination within the framework established by the NATCAP. At the same time it is planned to strengthen the technical assistance co-ordination machinery within DEPS by assigning an adviser under a donor-assisted project. The combination of enhanced government capacity and an active NATCAP follow-up process are expected to strengthen aid co-ordination in Swaziland during the country programme period.

II. THE COUNTRY PROGRAMME

A. Assessment of current country programme

15. Shortly after the initial contacts between UNDP and the Government on the fourth country programme, an assessment of the third country programme (1984-1986) was undertaken. The third country programming exercise took place after a period of sharp reductions in UNDP's Authorized Budgetary Levels (ABLs) and its finalization was delayed because of the death of His Majesty King Sobhuza II. The influence of these circumstances is clearly visible in the third country programme document. Firstly, because of the cutbacks, ongoing projects absorbed 75 per cent of available resources and the major part of the document was concerned with the relationship of these projects to the economy. Secondly, the 25 per cent of resources available for new activities was not earmarked for specific projects, but simply for "projects yet to be identified by the Government" in two sectors, agriculture and transport and communications.

16. In practice, extensions of ongoing projects absorbed even more of the available resources and, with regard to the priority sectors, only 17 per cent of the 1981-86 total IPF was disbursed on agriculture and 25 per cent on transport and communications as compared with planned figures of 34 per cent and 31 per cent respectively. The need for such project extensions has generally been caused by

the difficulty of finding and retaining suitable counterparts with the result that longer periods of on-the-job training than those originally planned have been needed.

17. To summarize, the main strength of the third country programme has been in providing direct support in areas of the economy where it was crucially needed. The institution-building aspect has been generally less successful. This imbalance was fully recognized during the country programme period and its redress continues to be the focus of most individual project tripartite reviews.

B. New programme proposal

18. The fourth country programme is intended to address development objectives under three main themes with the percentage allocation of IPF resources as follows: (a) Public Sector Management: 22 per cent; (b) Agriculture: 39 per cent; and (c) Manpower Development: 25 per cent.

19. In the light of the third country programme assessment, every effort will be made to ensure that: (a) in project design a clear distinction is made between institution-building and direct support and that the need for each be decided on its own merits; and (b) that project design should be realistic about the time required to achieve localization.

Public Sector Management

20. As has been noted above, intervention in the economy through the public sector is virtually the only macro-policy instrument available to the Government. It is recognized, however, that for such intervention to be fully effective, improvements are required in the organization and management of the civil service.

21. Specifically, the World Bank regional Public Administration and Management Report (April 1986) and the NATCAP recommend that one or more organization and management teams should look critically at DEPS, the Ministry of Labour and Public Service and the major line Ministries with a view to proposing measures to streamline their functions and operations. This exercise should then be followed up by a series of workshops and training programmes for senior- and middle-level civil servants to upgrade the effective management of the public sector.

22. While the Government would strongly favour the neutrality of UNDP participation in such a crucial and sensitive exercise, the expected technical assistance requirements are clearly beyond the scope of UNDP alone and may well require the involvement of other donors. Initially, therefore, UNDP will provide short-term consultancies: (a) to review in greater detail the needs for such organization and management studies in individual Ministries and Departments; (b) to draw up the terms of reference; and (c) to assist the Government in mobilizing multi-donor support. The need for further UNDP inputs will then be assessed and, if required, funded from the unprogrammed reserve.

23. Government intervention in the economy through the public sector is also impeded by lack of coherence in its planning machinery. National planning, including the drafting of Five Year Plans, is co-ordinated by DEPS and several

planning units have been established in line Ministries. However, the links between these planning units and DEPS tend to be weak and a short-term consultancy is planned to make specific recommendations regarding strengthening the mechanism for socio-economic planning, both within DEPS and throughout the government service.

24. In addition, to ensure the more coherent programmes of technical assistance, the Government is planning to strengthen the Technical Assistance Unit within DEPS. The technical assistance needs of the Unit will be reviewed by an adviser on planning mechanisms and UNDP funds are being earmarked for a three-year expert post from 1988. Consultancies will also be attached to this project as required for use in project identification and preparation.

25. The Government makes extensive use of OPAS-type experts and volunteers from various sources to fill posts in the civil service which cannot yet be filled by Swazis or for which Swazis are absent in training overseas. In view of the unique character of United Nations Volunteers (UNVs), the Government is identifying 12 posts for which UNVs would be particularly suited and they will be funded equally by UNDP and a Government cost-sharing contribution under a UNV umbrella project. Where possible, Swazi candidates for the posts will be sent overseas under bilateral fellowship programmes during the UNVs' assignments in Swaziland.

Linkages

26. The Government will draw up a programme of visits from the United Nations Department of Technical Co-operation for Development (DTCD) and the Economic Commission for Africa (ECA) interregional and regional advisers to complement the activities outlined above. At the same time funds will be available under the UNDP Fellowships umbrella project for sending government officials as appropriate to courses at the Eastern and Southern African Management Institute or the African Institute for Economic Development and Planning. Close World Bank involvement in the implementation of the organization and management studies may also be expected.

Agriculture

27. The small-holder farm sector has the greatest potential for increased production and employment creation in the economy, but requires considerably more effective support from Government if it is to achieve this potential.

28. Numerous studies have been done on the agriculture sector including several by the Food and Agriculture Organization of the United Nations (FAO) and, most recently, a World Bank Agriculture Sector Report (1986). A government White Paper on agricultural policy has been released and a World Bank-sponsored workshop to be held in early 1987 will further assist the Government in finalizing its agricultural policy and strategy for the next decade. Proposals for UNDP funding in the agriculture sector will therefore be subject to approval by Government within this framework.

29. UNDP/FAO have been providing assistance to the Agricultural Marketing Unit of the Ministry of Agriculture since 1979 (SWA/78/014). The project has not been successful from an institution-building standpoint, but it continues to play an extremely important role in direct support to the Ministry, particularly with

regard to the International Fund for Agricultural Development (IFAD) Small-holder Credit and Marketing Project and the newly established Agricultural Marketing Board. A one-year extension is, therefore, being funded by UNDP until the end of 1987 to provide continuity during the policy review mentioned above. The need for further assistance in this area will be determined after the policy review; funds have been earmarked for a possible new project for a further two years.

30. A macro-economic planner is currently being provided to the Ministry of Agriculture by the United States Agency for International Development (USAID). The FAO programming mission of 1986 and the World Bank Sector study both recommended increased support to the Ministry to complement the USAID inputs and the Government has indicated its desire to have UNDP/FAO undertake the project. It is therefore intended that UNDP should provide one expert and possibly two UNVs for four years from January 1988.

31. The large national herd (approximately 650,000 head of cattle) constitutes both a problem and an opportunity. Traditional practices and the current low productivity result in inefficient use of the limited grazing land and serious degradation in marginal areas. At the same time, however, in view of Swaziland's good animal health record, there is considerable scope for expanding beef exports both to the European Economic Community (EEC) (within the established quota) and elsewhere. UNDP/FAO is, therefore, being requested to finance a Rangeland Development and Training project for three years starting in 1988.

32. Land use in Swaziland has been largely determined by the historical division between TDL and SNL and the somewhat haphazard allocation of land under customary law. A three-year Land Use Planning Project is therefore proposed to assist the Ministry of Natural Resources in establishing a framework for more rational and sustained utilization of scarce land and water resources. This project would provide the technical base for a national land use policy. It is intended to seek third party cost-sharing or other support for this project.

33. Over the long term, agriculture and livestock development will be hindered if more attention is not paid to conservation of the environment. A joint UNDP/Netherlands Government/United Nations Environment Programme (UNEP) project is therefore funding a seminar on Proper Management of Natural Resources early in 1987. The seminar will aim to establish policy and strategy guidelines for environmental management in Swaziland.

34. Tree planting in particular needs to be encouraged on Swazi Nation Land for fuel wood and charcoal production and watershed protection needs to be extended. A project has therefore been designed to develop a forestry data base and to strengthen the forestry extension services. This project is being recommended for technical co-operation among developing countries (TCDC) or third party cost-sharing financing.

Linkages

35. The Ministry of Agriculture is recommended for an organization and management review and will be included in the preliminary UNDP-financed study mentioned above. The Agricultural Marketing project will be closely linked (a) to the

FAO/Technical Co-operation Programme Dairy Marketing Adviser who will be in Swaziland for one year from late 1986 and (b) to the IFAD Small-Holder Credit and Marketing project mentioned above.

Manpower Development

36. As has been noted above, the basic educational infrastructure is in place. It is recognized, however, that the quality of education should be improved throughout the system and that vocational and other training should be expanded in specific areas. Such measures would enhance the growth potential of both the formal and non-formal industrial sectors and in the medium to long-term would also improve the efficiency of the public service. At the same time the number of high-cost expatriates could be reduced and self-reliance objectives realized.

37. The ongoing UNDP/United Nations Educational, Scientific and Cultural Organization (UNESCO) project of assistance to the National Literacy Institute (SWA/85/010) addresses the problem of manpower development at the grass-roots level. The Institute organizes literacy programmes and trains instructors for the rural areas where approximately 70 per cent of the trainees are women. At the same time an adult education strategy paper is being drafted by the Chief Technical Adviser, taking into account the findings of the National Manpower Survey. After achieving its objectives this project will be terminating at the end of 1987.

38. UNDP/UNESCO is also assisting the Science Faculty at the University of Swaziland in a project aimed at increasing the number of Swazi science lecturers as well as the number of science graduates who, in turn, are expected to increase the quality and amount of science teaching at secondary schools. The project is achieving its objectives and will be terminating in 1988.

39. With specific regard to vocational training, following the recommendations of the World Bank/ILO National Manpower Survey, UNDP/ILO is to provide an adviser for three years to assist the Government in drawing up a national vocational training strategy and in creating mechanisms for close management and monitoring of the existing and planned Government and Non-Governmental Organization (NGO) vocational and apprenticeship training programmes. The adviser would also review the economics of technical and vocational training and assist in determining government policy regarding pre-vocational education.

40. Swaziland lacks accountants and other persons with skills in financial management. The Government has recently passed an act establishing an Institute of Accounting, but a technical assistance project will be required to set up the training arm of the Institute. A draft project proposal was drawn up under a UNDP/ILO consultancy in 1985 and the Government will be seeking assistance, preferably through a third party cost-sharing project.

41. In the field of training for self-employment, UNDP/DTCDC, the Government of the Netherlands and several other donors have been assisting a Women in Development project for establishing rural centres for training women in income-generating activities. The Government of the Netherlands is currently reviewing a new phase of this project for funding on a third party cost-sharing basis from 1987-1989.

42. A Fellowships umbrella project is providing funds for government officials to attend courses mainly at United Nations-sponsored institutions. Priority will be given to fellowships connected with the main themes of the country programme.

Linkages

43. All projects in the education sector are clearly linked to the Swedish International Development Authority (SIDA)/UNESCO Educational Planning Project in the Ministry of Education (503/SWA/13) which assists the Ministry in education policy and strategy formation. The project is due to terminate in December 1987. Other close linkages may be noted between the Adult Literacy Institute and Women in Development project and the women-oriented programmes of the United Nations Children's Fund (UNICEF) and the United Nations Fund for Population Activities (UNFPA), as well as the Netherlands/FAO People's Participation Project which also serves mainly women. There is also a close linkage between the Government's training for self-employment programmes and the SIDA/ILO regional project Skills Development for Self-Reliance (ILO/RAF/77/48) which has been advising the Government on the follow-up required to enable trainees to establish themselves in their own enterprises in the informal sector. A project in this field for the third party cost-sharing may be identified at a later date. Lastly, as Swaziland is the Southern African Development Co-ordination Conference (SADCC) focal point for manpower development, closer linkages will be established with SADCC-sponsored regional activities in this field as they develop during the country programme period.

C. Unprogrammed reserve

44. An unprogrammed reserve of \$225,000 (5.6 per cent of IPF resources) has been established. Additional funds may become available for the reserve if third party cost-sharing resources are secured for projects currently identified for IPF funding. First call on this reserve would be for emergency inputs required in connection with possible sanctions against South Africa. A second priority would be for short term advisers to assist in problem-solving for the Government, particularly in sectors not addressed by the country programme.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	<u>\$</u>	<u>\$</u>
A. <u>UNDP-administered sources</u>		
Third cycle IPF balance	142 000	
Fourth cycle IPF	3 875 000	
Subtotal IPF		4 017 000
Special Measures Fund for Least Developed Countries		
Government cost-sharing		
Third-party cost-sharing		
Operational funds under the authority of the Administrator (UNIFEM)		
Subtotal, UNDP non-IPF funds		
B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise		
Parallel financing from non-United Nations sources		
Subtotal, other sources		
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u><u>4 017 000</u></u>

II. USE OF RESOURCES

Ongoing projects	1 355 000
New project proposals	2 437 000
Programmed reserve	
Subtotal, programmed resources	3 792 000
Unprogrammed reserve	<u>225 000</u>
TOTAL USE OF RESOURCES	<u><u>4 017 000</u></u>
