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MULTILATERAL INVESTMENT GUARANTEE AGENCY

PERFORMANCE AND LEARNING REVIEW OF THE COUNTRY PARTNERSHIP STRATEGY

FOR

ESWATINI

FOR THE PERIOD FY15-FY18

August 2, 2018

Southern Africa Country Management Unit AFCS1

International Finance Corporation

Multilateral Investment Guarantee Agency

The date of the last Country Partnership Framework was 28 October 2014

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ABBREVIATIONS AND ACRONYMS

ASA	Advisory Services and Analytics
ACC	Anti-Corruption Commission
ADEPT	Advanced Design Electronic Packaging Technique
AIDS	Acquired Immune Deficiency Syndrome
CBS	Central Bank of Eswatini
CPS	Country Partnership Strategy
CSO	Central Statistics Office
DB	Doing Business
EU	European Union
eNSF	Extended National Strategic Framework
ERS	Economic Recovery Strategy
FSDIP	Financial Sector Development Implementation Plan
FIRST	Financial Sector Reform and Strengthening Initiative
GII	Gender Inequality Index
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
IBRD	International Bank for Reconstruction and Development
ICR	Investment Climate Reform
IFC	International Finance Corporation
IPF	Investment Policy Financing
IPP	Independent Power Producer
IRM	Investor Road Map
ISN	Interim Strategy Note
LFS	Labor Force Survey
MCH	Maternal and Child Health
MIGA	Multilateral Investment Guarantee Agency
NBFI	Non-Bank Financial Institution
NDS	National Development Strategy
NHSSP	National Health Sector Strategic Plan
NTFC	National Trade Facilitation Committee
PFM	Public Finance Management
OVC	Orphans and Vulnerable Children
PAT2	Portfolio Analysis Tool
PER	Public Expenditure Review
PLR	Performance and Learning Review
PPP	Public Private Partnership
PSDS	Private Sector Development Strategy
RAMP	Reserves Advisory and Management Program
SMME	Small Medium and Micro Enterprises
SACU	Southern African Customs Union
SCD	Systematic Country Diagnostic
SADC	Southern African Development Community
SDG	Sustainable Development Goals
SDI	Eswatini Development Index
SHIES	Eswatini Household Income and Expenditure Survey
SIPA	Eswatini Investment Promotion Agency
SNL	Swazi National Land
SOE	State Owned Enterprise
SRA	Eswatini Revenue Authority
SWADE	Eswatini Water and Agricultural Development Enterprise
TDL	Title Deed Land
TB	Tuberculosis
TFSCB	Trust Fund for Statistical Capacity Building
UN	United Nations
USAID	United States Agency for International Development
VAT	Value Added Tax
WFP	World Food Program

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PERFORMANCE AND LEARNING REVIEW
OF THE
COUNTRY PARTNERSHIP STRATEGY FOR ESWATINI

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I. INTRODUCTION

1. This Performance and Learning Review (PLR) assesses progress in the implementation of the Eswatini Country Partnership Strategy (CPS) FY15-18, the first full World Bank Group (WBG) strategy for Eswatini in two decades. The CPS was developed following in-country consultations with various stakeholders including Government, civil society, business and development partners. It built on work done under the two-year Interim Strategy Note (ISN) for FY08-FY10 and is aligned with the National Development Strategy (NDS) and its Vision 2022. The CPS served as a vehicle to deepen engagement while improving mutual understanding of the processes and procedures involving WBG support for the country's development. It drew on recommendations of prior analytical work, such as the public service payroll audit, the growth diagnostic, the customs modernization advisory and comprised two pillars: (i) promoting growth and job creation and (ii) strengthening state capabilities. Lending and non-lending activities within each pillar were selective, focusing on public sector economic management, improved competitiveness, skills development and social services delivery. The lending envelope of US$50 million for two projects was complemented by Advisory Services and Analytics (ASA) funded through trust funds, grants and the Bank's administrative budget. The PLR proposes a two-year extension of the CPS to FY2020, and changes to the results framework in response to evolving country priorities.

2. Operations carried over from the ISN and advisory services have been implemented successfully, with strong results. Several improvements have been registered in the health sector, including tuberculosis (TB) treatment success rate, increased safety net support to orphans and vulnerable children, and an increased number of health units providing the five basic services. Similarly, the Local Government Project (P095232) has made notable progress in strengthening municipal and rural local government capacity for the delivery of local services and infrastructure. The Bank successfully supported capacity-building activities at the Eswatini Internal Audit Department in collaboration with the US Department of State. The program assisted the Internal Audit Department to bring its regulations and activities into better compliance with the standards set by the Institute of Internal Auditors' International Standards for Professional Practice and Code of Ethics.

3. The two new lending operations developed under the CPS were cancelled [1] after the WBG Board approval. Government requested the Bank to reallocate the $50 million budget to water and energy sectors to alleviate acute water shortages and close energy gaps to improve employment/income generation and living conditions in selected poor rural communities. The request for infrastructure investments is in line with the priority given to strategic infrastructure in the country's Vision 2022. Government reiterated its commitment to allocating resources for the implementation of the reform programs which were to be supported by the two cancelled projects and requested the Bank to complement its efforts, through ASA and grant-funded activities.

[1] The Public-Sector Performance Improvement Project for US$25 million and the Private Sector Competitiveness Project for US$25 million.

II. MAIN CHANGES IN COUNTRY CONTEXT

Political Developments

4. Eswatini has long been a peaceful and stable "monarchical democracy", where absolute power rests with the monarch while traditional and parliamentary systems run concurrently. The King as Head of State holds supreme executive, legislative and judicial powers. The last elections were held in September 2013 and the current Prime Minister was reappointed for the last term. National elections will be held in September 2018, with the expectation that Vision 2022 will continue to frame Government's development strategy. At the 50/50 Jubilee celebrating 50 years of independence and the King's 50th birthday, the country was renamed the Kingdom of Eswatini[2].

5. The 2015 Ibrahim Index on African Governance ranks Eswatini 28th of 54 African nations with an overall score of 49.6 (out of 100). This score is just below the continental average of 50 and significantly lower than the regional average for Southern Africa (58.3). The country continues to register particularly low scores of only 29.5 on human rights and participation (ranking above only Somalia and Eritrea on participation). In addition, the Human Development Report ranks Eswatini 137 out of 159 countries on the Gender Inequality Index (GII) suggesting a need to accelerate the pace of women's empowerment towards gender equality.

6. Perceptions of corruption continue to negatively affect the country's reputation within the region and internationally, prompting some actions by the Government to combat it. Eswatini is the 85th least corrupt nation out of 175 countries, according to the 2017 Corruption Perceptions Index reported by Transparency International. In December 2017, the Anti-Corruption Commission (ACC) issued a report[3] suggesting that 79 percent of 3,090 people interviewed in a national survey believed that corruption within government was "rife". Recently, the ACC itself became the target of allegations of corruption, leading Parliament to suspend its operational budget.

7. ***Government effectiveness and regulatory quality remain key binding constraints to attracting private investment.*** The business environment remains unconducive to private sector development due to perceived weak transparency in regulatory systems and lack of clarity on government policies and implementation. To address these concerns, government adopted several strategies and policies to attract investment and foster private sector activity, such as the Private Sector Development Strategy (PSDS), an Investor Road Map (IRM) and the Economic Recovery Strategy (ERS). These strategies are broadly consistent with each other but have been undermined

[2] The name change came into effect on 19 April 2018 through Legal Notice No.80 of 2018. In his announcement, His Majesty the King indicated that the new name is to give true meaning to the country's independence—at fifty years, as the name "Swaziland" was inherited from the British.

[3] National Corruption Perception Survey Report 2017 can be accessed http://acc.gov.sz/images/AbridgedNationalReportACCV240617Final.pdf

by slow implementation. Stronger commitment and leadership is required to accelerate the pace of implementation of these well-intentioned policies and boost investor confidence.

8. The Kingdom aspires to be in the top 10 percent of the medium human development group of countries[4] founded on sustainable economic development, social justice and political stability by 2022. Progress to achieve this vision has been hampered by slow implementation, the fiscal crisis of 2010-11, El Nino-induced drought in 2015/16 as well as volatile transfers from the Southern African Customs Union[5] (SACU). The strategy is currently under review, and Government has identified three ongoing priorities: (i) maintaining macro-economic stability and accelerating economic diversification, (ii) boosting strategic infrastructure, and (iii) unlocking human capacity. Government also defined the Eswatini Development Index (SDI) to facilitate measurement of progress towards achievement of Vision 2022 goals. The SDI tracks outcomes in eight focus areas: (i) economic prosperity, (ii) agriculture and environmental sustainability, (iii) education, (iv) health, (v) government service delivery, (vi) infrastructure, (vii) governance, and (viii) corruption. The SDI also helped the setting of performance targets and action plans for ministries and agencies up to 2022. Prior to initiation of the SDI process, there was no Government-wide system for monitoring development results.

Macroeconomic Developments

9. ***Economic growth decelerated since the start of the CPS, dropping from an average of 4.4 percent for the period 2012-14 to just 1.2 percent for 2015-17.*** The CPS period was characterized by severe droughts and growing fiscal challenges emanating from rapid growth in the public wage bill combined with volatile SACU transfers. As shown in Table 1 below, economic growth bottomed to 0.4 percent in 2015 before slowly rebounding in 2016 and 2017 as the agricultural sector recovered and public demand stimulated growth in the service sector. Nonetheless, growing macroeconomic imbalances and a continuously depressed regional outlook weigh heavily on Eswatini's growth prospects in the foreseeable future. Among SACU members, Eswatini's economy is the most reactive to economic developments in South Africa through trade, remittances and financial flows, in addition to the direct impact of SACU transfers.

***10. Fiscal challenges picked up in 2016 and persisted thereafter, partly due to the granting of salary review to civil servants*.** Since April 2016, civil servants were granted a salary increase of more than 17 percent beyond inflation, far exceeding budgetary provisions. Meanwhile, SACU transfers significantly declined from 14.8 percent of GDP in 2015 to 12.3 percent in 2017--reflecting South Africa's own economic challenges, leading to a decline in government revenue of the same magnitude. The fiscal deficit increased from 4.8 percent of GDP in 2015, 7.7 percent of GDP in 2016 and 8.3 percent of GDP in 2017. Government partly financed the fiscal deficit through accumulation of domestic arrears and running foreign reserves, which negatively impacted private sector activities, weakened financial sector's asset quality (with the ratio of non-performing loans to total loans rising from 3.6 percent in June 2015 to 8.2 percent in June 2017), and raising concerns for the currency peg with the South African rand. Total public debt levels increased by

[4] According to the UNDP Human Development Report countries in medium human development classification in 2017 include Moldova, Botswana, Gabon, Paraguay, Egypt, Philippines, Turkmenistan South Africa amongst others.
[5] SACU countries are Botswana, Namibia, Lesotho, Eswatini and South Africa.

4.6 percentage points of GDP between December 2015 and December 2017, reaching 21.8 percent of GDP in December 2017 and leading to an increase in interest payments.

11. ***Initial fiscal consolidation efforts announced through various budget statements did not yield intended results, prompting the Government to take stronger steps by end-2017***. Revenue enhancement measures announced in the Ministry of Finance's (MOF's) 2016 and 2017 budget statements did not bring significant changes to the budget outturn, with deficits continuing to increase over the period. Towards the end of 2017, authorities stepped up various measures to address public expenditure arrears (with a stock estimated at about 2 percent of GDP in December 2017), including their conversion to supplier's bonds, and the issuance of a circular instructing ministries to stop committing new capital expenditure as from December 2017. Acknowledging the political difficulty to develop fiscal stabilization mechanisms at the national level (which would call for saving public resources during good economic times), the Government approved the SACU resolution adopted in 2017 for a stabilization mechanism at the regional level.

12. ***The monetary policy stance was contractionary in 2016, mainly in response to inflationary pressures from food prices.*** Inflation averaged 7.8 percent (above the upper threshold of 6 percent) in 2016, up from 5 percent in 2015. The central bank increased the discount rate from 5.75 percent in 2015 to 7.25 percent in 2016, moderately limiting growth in credit to the private sector. As agriculture production recovered in 2017, food prices declined leading to lower inflation of 6.2 percent in 2017 and the subsequent cut in the discount/repo rate by 0.25 percentage points to 7 percent, effective January 20, 2018. The current account remained positive throughout the CPS period partly due to rising exports and moderate growth in imports.

Table 1: Selected Economic and Poverty Indicators

SELECTED INDICATORS	2014	2015	2016	2017 E	2018 F	2019 F	2020 F
INCOME AND ECONOMIC GROWTH							
GDP growth (annual %)	1.9	0.4	1.4	1.9	1.1	1.7	1.8
GDP per capita (US$, nominal)	4595.2	4558.8	4567.1	4572.5	4543.0	4541.9	4546.5
Private Consumption growth (% of GDP)	73.6	73.4	73.1	74.0	76.4	78.7	81.0
Gross Investment (% of GDP)	12.5	14.1	15.0	15.8	16.5	17.3	17.9
MONEY AND PRICES							
Inflation, consumer prices (annual %, period average)	5.7	5.0	7.8	6.2	5.6	5.2	5.1
M2 (% of GDP)	25.0	26.4	30.0	30.5	34.3	38.4	38.4
Domestic Credit to the Private Sector (% of GDP)	21.8	21.1	21.2	22.4	22.8	23.1	23.2
Nominal Exchange Rate (local currency per USD)	10.9	12.8	14.7	13.3	13.6	13.9	14.2
FISCAL							
Revenue (% of GDP)	30.3	29.1	27.4	27.2	25.5	23.4	22.8
SACU transfers (% of GDP)	14.7	14.7	12.4	12.3	11.0	9.3	9.0
Expenditure (% of GDP)	31.5	33.9	35.1	35.5	33.1	30.2	29.0
Interest Payments (% of GDP)	0.9	1.3	1.4	1.4	1.8	1.5	1.3
Primary Balance (% of GDP)	-0.3	-3.5	-6.3	-6.9	-5.8	-5.3	-4.9
Overall Fiscal Balance (% of GDP)	-1.2	-4.8	-7.7	-8.3	-7.6	-6.8	-6.2
General Government Debt (% of GDP)	15.0	17.2	18.6	21.8	25.6	30.8	36.4
EXTERNAL ACCOUNTS							
Exports (% of GDP)	46.9	46.3	45.8	42.3	40.8	39.2	37.6

Imports (% of GDP)	52	48	53	52	54	55	55
Current account balance (% of GDP)	4.3	10.4	0.7	0.3	1.5	1.8	1.8
POPULATION, EMPLOYMENT AND POVERTY							
Population, total (millions)	1.1	1.1	1.1	1.1	1.2	1.2	1.2
Population Growth (annual %)	1.2	1.2	1.2	1.2	1.2	1.1	1.1
Unemployment Rate (ILO)	28.4	27.7	27.0	26.5	.	.	.
International Poverty Line (IIPL, US$ 1.9 PPP)	38.3	38.6	38.4	38.4	38.7	38.7	38.6

Source: World Bank staff estimates, IMF and Central Bank of Eswatini

13. Economic outlook is fragile, as ongoing fiscal challenges continue, limiting the economy's growth potential. Real GDP growth is projected at 1.1 percent in 2018 (barely exceeding population growth) and 1.7/1.8 percent in 2019/2020, reflecting the impact of ongoing fiscal consolidation efforts (which will restrain aggregate demand) and a continued weak regional environment. While recent political developments in South Africa could improve regional prospects, the challenges encountered by the authorities in reining in public expenditures ahead of the next elections create downward risks. Continued reliance on public expenditure arrears would hamper private sector activity and further reduce investors' appetite for government bonds. The country's efforts to boost growth are also constrained by the ongoing high level of HIV/AIDS prevalence (see para 19) including, inter alia, by reducing available labor, necessitating expenditures on health care at the expense of other productive spending, and lowering productivity due to absenteeism and morbidity.

Poverty Reduction and Shared Prosperity

14. Poverty, inequality and unemployment are the primary development challenges which have remained stubborn and difficult to address. These challenges remain at the top of the Government's policy agenda. Based on the international poverty lines of $1.9 and $3.2 a day, it is estimated that 38 percent of the Swazi population lives in extreme poverty and a total of 60.3 percent is poor overall. These estimates represent a relatively small improvement from the 2009[6] finding that 42.0 percent were subsisting below the $1.9 a day line and 64.4 percent were below the $3.2 a day line. In general, children, the elderly, the unemployed as well as female-headed and single-headed households are disproportionately represented among the poor. Income inequality is also high, with an estimated Gini coefficient of 0.51 in 2009/10. High levels of poverty and inequality are linked to high unemployment rate at 23 percent in 2018. The labor market suffers from low labor force participation rates, with female participation at 42.6 percent in 2017. The high unemployment rate is exacerbated by skills mismatches.

15. Agriculture, the second largest contributor to the economy, has potential to reduce poverty and promote shared prosperity, provided the requisite investments are made. Many Swazis

[6] The Eswatini Household Income and Expenditure Survey (SHIES) is the main and official source for data that enables assessment of monetary and non-monetary wellbeing of Swazis, including computation of inequality indicators. Three rounds of SHIES have been conducted, in 2001, 2009/10 and in 2016/17. The latest SHIES survey was developed with the support of the World Bank and was conducted between March 2016 through April 2017. National poverty rate declined from 69.0 per cent in 2001 to 63.0 per cent in 2009.This rate is calculated using an adult per capita consumption of E461 per month in 2010 prices. The preliminary survey results of the 2016/17 survey indicate reduction in the national poverty between 2009/10 and 2016/17. However, the recent data has not been made publicly available.

especially in rural areas practice subsistence farming mainly maize cultivation underscoring the importance of the sector for reducing extreme poverty and promoting food security. There is a dual system of land management: Title Deed Land (TDL) and Swazi Nation Land (SNL). Agricultural production on SNL is primarily for subsistence. Farming techniques are usually traditional, employing predominantly family labor. Commercial agricultural production is carried out mainly in TDL and remains dominated by sugar and sugar-related products for export. The country has been experimenting with new and innovative approaches on SNL. One such initiative is Eswatini Water and Agricultural Development Enterprise (SWADE)'s farming company, which allows smallholders on tracts of SNL to coordinate and engage in commercial-scale production. The concentration has been principally on sugar cane production, and is being piloted for other commercially viable products, such as horticulture. The initiative appears to be working well with a positive impact on the productivity of land and smallholder family incomes.

16. Vulnerability to external and climate-related shocks, including floods, droughts and wild fire disproportionately affect the rural poor. Most recently, in 2015/16 the country experienced a severe El Nino-induced drought, characterized by below-normal rainfall, prolonged dry spells and above-normal temperatures. The drought was the worst experienced in fifty years leading to a 30-40 percent drop in production of maize (the staple food crop), extremely low water levels in the main Hawane dam serving the capital, drying up of rural bore wells and forcing the closure of many schools (affecting nearly 200,000 students and teachers, in rural and urban areas). Government declared a national emergency in early 2016 and developed the National Drought Mitigation and Adaptation Plan 2016-2022 with an initial budget of $3 million for implementation. An estimated total budget of $80 million is required for mitigation and long-term recovery measures. Universal access to safe water and sanitation is part of the National Development Strategy, but the country remains far behind its established goal of achieving 100-percent coverage by 2022 as current access rate stands at 59 percent.

17. While the infrastructure is relatively well-developed, there are some glaring gaps which limit the scope of poor rural households to avail of economic opportunities. One notable example in this regard is energy through the national grid, which demonstrates a significant urban-rural divide. Currently, about 70 percent of Swazi households have access to the distribution network, but access is limited to only about 24 percent in rural areas. Rural households rely on a mix of kerosene, wood and paraffin for basic heating. There is significant opportunity to improve rural access through renewable options such as solar PV systems which are almost comparable to traditional sources in terms of cost-effectiveness – an approach that government has requested the Bank to help support through the proposed energy project (FY19). The country is relatively well-endowed with road infrastructure *vis-a-vis* comparable countries. The main road network is in good condition, including over 3,000 km of roads, more than one-third of which is paved.

18. Eswatini is lagging with respect to some social outcomes, which are not commensurate with spending levels. The country is close to achieving universal access to education and has virtually eliminated gender disparities in education. The primary completion rate is close to 80 percent (with girls slightly higher than boys) and secondary enrollment is close to two-thirds[7]. Provision of social assistance services has also been improving, although attention needs to be given to reducing duplication and improving targeting to minimize inclusion and exclusion errors.

[7] However, there is a relatively high dropout rate among adolescent girls at secondary school level, often due to pregnancy. Being out of school is significantly associated with higher risks of contracting HIV-AIDS.

Most urgently, the country needs to address maternal and child mortality rates, which remain high at 389/100,000 live births and 60.7/1,000 respectively, despite improved access to antenatal care and 88 percent of deliveries attended by health personnel.

19. The high HIV prevalence rates have a far-reaching adverse impact on the country's development. It is estimated that approximately 205,000 people live with HIV, associated annually with nearly 3,200 AIDS-related deaths, 9,143 new infections, as well as 130,000 Orphans and Vulnerable Children (OVC). Overall, the HIV prevalence rate was 27.2 percent in 2017- one of the highest in the world (female: 32.5 percent and male 20.4 percent), contributing to poor maternal and child health (MCH) outcomes, increased co-morbidities with TB (70 percent co-infection), cervical cancer and other non-communicable diseases (NCDs). Initially, because of HIV/AIDS, life expectancy had fallen to a low of 46 years (2004), and then slowly rebounded to 58.9 (2015), placing Eswatini 168th on the global ranking. Beyond health outcomes, HIV/AIDS response significantly affects national development outcomes, including through the social and fiscal pathways. The cost of HIV response is on the rise, driven by increasing life expectancy, combined with complex comorbidities and associated treatment costs. This expenditure increase is set against the backdrop of increasing fiscal constraints and reducing support for HIV/AIDS from development partners,[8] challenging the vision of "Ending AIDS by 2022".

III. SUMMARY OF PROGRAM IMPLEMENTATION

20. CPS implementation has yielded mixed results: good results for projects developed under the ISN, and mixed performance for projects/ activities developed under the CPS. Table 2 shows the status of the original CPS activities by Pillar.

Table 2: Status of Original CPS Activities, by CPS Pillar
(**bold**=completed; plain=ongoing, *italics*=dropped)

Pillar I: Promoting growth and job creation	Pillar II: Strengthening state capabilities
• *Private sector competitiveness project (dropped)* • **Financial Sector Development Implementation Plan (completed)** • Regulatory and supervisory framework for non- Bank Financial Institutions (ongoing) • Technical assistance on investment climate reform and doing business (ongoing)	**<u>Economic Management Program</u>** • Local Government Project (ongoing) • *Public Sector Performance Improvement Project (dropped)* • Integrated Financial Management Information System (ongoing) • **Strengthening PFM and auditing capacity of Local Governments (completed)** • **Delivery of rural and urban infrastructure (completed)** • Reserve Asset Management Program (ongoing) • **Technical assistance to the Internal Audit Department (completed)**

[8] In 2016/17 the estimated expenditure shares of HIV response from GOS and DPs were 48 and 52 percent, respectively.

• Advisory on Trade Facilitation (ongoing) • **Customs Modernization Technical Assistance (completed)**	• **Public service payroll audit (completed)** __**Social Services Delivery Program**__ • Health, TB and HIV/AIDS Project (ongoing) • **National Health Sector Strategic Plan (completed)** • **HIV /TB prevention and treatment training (completed)** • **Renovation of health facilities (completed)** • **Training in data dissemination and analysis tools (completed)** • **AFCS1 Demographic study (completed)** • **OVC cash transfer pilot (completed)** • **ASA on the roll out of HIV programs** • HIV efficiency study (ongoing) • HIV effectiveness evaluation (ongoing)

21. Delivery of non-lending TA and implementation of projects initiated under the ISN have progressed well and has achieved important results. The Financial Sector Development Implementation Plan (FSDIP) prepared under the leadership of the Central Bank was launched by the Prime Minister in 2017. Implementation of the FSDIP is on track with a focus on stability supported through an IMF program[9] and WBG program on financial inclusion financed through the Financial Sector Reform and Strengthening Initiative (FIRST) grants. The Health HIV/AIDS and TB Project (P110156) contributed to improving access to and quality of services, focused on primary health care, maternal health, HIV/AIDS and TB, and increased the access of Orphans and Vulnerable Children (OVC) to the social safety net. The project financed renovation and procurement of equipment for selected health facilities as well as strengthening the referral and transport system. The Local Government project contributed to the institutional strengthening of urban and rural local governments by enhancing financial management capacity as well as delivery of local services and infrastructure planning. Both projects have met and, in some cases, exceeded their targets.

22. Due to governance concerns and the small size of the economy, IFC and MIGA have continued to face challenges in engaging with Eswatini private sector, interventions have been limited to ASA. Most firms are too small for IFC's direct engagement and are well served by South African banks which have strong liquidity. IFC and MIGA are currently exploring opportunities in agribusiness and agricultural sectors, respectively. Continued efforts may provide the required entry points to engage and better understand private sector players. IFC-led trade facilitation advisory has supported the National Trade Facilitation Committee to work towards an electronic single window, and prepared the Time Release Study with recommendations to improve border processing times. Following cancellation of the Private Sector Competitiveness Project, technical assistance on Doing Business delayed start and IFC has supported an assessment of the country's status on doing business indicators and proposed an action plan to guide improvements. During

[9] Most recent IMF article IV report can be accessed https://www.imf.org/en/Publications/CR/Issues/2017/09/11/Kingdom-of-Swaziland-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-Statement-45240

the extended CPS period, IFC will build on investment climate reform and trade facilitation advisory to advance engagement in this challenging governance environment.

IV. EMERGING LESSONS

Experience with implementation of the CPS 2015-2018 has provided some key lessons for further engagement in both under the extended period and for future programs. Some of these lessons are as follows:

23. Decision-making process within government creates high levels of uncertainty in program design and implementation, which calls for an adapted engagement model to minimize the risk. There is a need to adjust to the high degree of complexity of final decision-making power and the potential for disconnects between political, official and administrative levels. Underestimating these characteristics created uncertainty and proved costly for both Government and the WBG. Moreover, the small size of the public service and related capacity constraints mean that the turnaround times are generally long, which is exacerbated by an elaborate approval process. In the light of implementation experience to date, the WBG will adjust its engagement model to include strengthened political dialogue and consultations at the various levels, including with the Prime Minister. During the PLR consultations, the WBG and Government agreed to better align their respective approval processes. The WBG further engaged extensively with political principals, including paying a courtesy visit to the King, which provided much-needed clarity on program decisions and collaboration going forward.

24. Collaboration with development partners is crucial to delivering results and achieving a balance between "hard" and "soft" or grant financing. Given Government's reluctance to borrow IBRD funds for TA, studies and training at this stage, the WBG should work even more closely with external partners active in Eswatini (such as the European Union (EU), the IMF, UN agencies and USAID) to pool resources and work towards common, clearly-specified goals to help provide necessary technical support in key areas where lending is infeasible. For example, cross-cutting support for governance through Trust Funds and ASA could help build trust through a more intensive dialogue with state and non-state actors and perhaps create demand for lending over time. Similarly, given Eswatini's relative isolation from global and regional governance initiatives, the WBG could use its convening role to facilitate South-South exchanges and demonstrate effective use of partnerships, such as on public financial management with the EU.

25. A blend of technical assistance and infrastructure support has proven successful and where applied minimized the risk for project cancellation. The Local Government and Health projects, which have been successfully implemented under this CPS, incorporated both technical and infrastructure investments which met needs for capacity strengthening, whilst equally contributing the "tangible" service delivery. Complementary financing through trust funds and grants in the case of the Health project also softened loan terms and enabled the Bank to provide more support than would have been possible with lending exclusively. In the preparation of new projects, the Bank will work with counterparts to achieve the requisite balance between hard and soft interventions and to the extent possible seek complementary non-lending financing.

26. Project procurement can be used to promote local capacity building and exposure to Bank projects processes, especially in instances where local expertise is best suited. The implementation of Local Government project, which included capacity building to traditional authorities, necessitated appreciation of local context and the ability to engage with traditional leaders in addition to standard technical requirements. Following international competitive bidding procedures in such cases without consideration of local context meant additional transaction costs for project staff who, in some cases, had to provide translation services to support consultants. In the future, the Bank will need to consider this reality when engaging consultants.

V. ADJUSTMENTS TO THE COUNTRY PARTNERSHIP STRATEGY

Proposed lending

27. The PLR proposes a lending envelope of US$70 million for FY19-FY20, to be reviewed at end of the extended CPS period considering client needs and available IBRD financing. New operations are under preparation in water, energy and health (see Table 3). The country team further confirmed the political commitment and support of the Government for these three operations during the PLR consultations. The proposed new lending is spread out over the extended CPS period to ensure that the new engagement model is in fact resulting in quicker approvals by all the branches of Government. While actual delivery will depend on client readiness, new infrastructure lending is sequenced so that the first project presented to the WBG Board of Executive Directors would need to be approved and effective before the second project is sent for Board consideration. The proposed new projects will be designed to include a balance of infrastructure components and policy-oriented inputs to help ensure support from both political and technical standpoints. Where feasible, efforts will be made to partner with other external agencies to incorporate grant funds in the overall financing envelope to soften IBRD terms. Actual lending will depend on client demand, overall country performance, global economic and financial developments, IBRD's financial capacity, and demand by other Bank borrowers.

Table 3: CPS FY19-20 Operations

Operation	**Instrument**	**Approval year**	**Amount**
1. Energy Project	IPF	FY19	US$25, 000 000
2. Health Systems Reform Project	IPF	FY20	US$20, 000 000
3. Water Project	IPF	FY20	US$25, 000 000
Total			**US$70, 000 000**

28. The reprogrammed CPS lending is consistent with the overall aims of the CPS pillars, which will remain the organizing framework for the remaining strategy period. In consultation with the Government as well as other decision makers and non-state actors, the following changes have been made to the CPS design:

Pillar I: Promoting Growth and Productivity

29. Given that achievement of some of the original results expected under the CPS Pillar I will be infeasible due to cancellation of Private Sector Competitiveness Project, Pillar I will focus on promoting growth and productivity through ASA and grants. The title of the Pillar and expected outcomes have been modified to reflect the proposed change in focus. The emphasis will be on delivering the new energy project. The main elements of the updated Pillar I are described below.

- Complementing the work already done through the FIRST grant, support for financial sector development will be provided for designing the institutional framework for non-bank financial institutions, many of which are key to the provision of credit to micro- and small enterprises.

- The IFC will lead support on investment climate reform through ASA. This will include support in the development and implementation of an action plan to guide Doing Business performance improvements. This will support government in implementing reforms that are critical to stimulate private sector activity. In addition, trade facilitation advisory will include a review of cross-border trade processes and to help strengthen the capacity of the National Trade Facilitation Committee to implement its mandate.

- Due to resource limitations, interventions originally planned under skills development and SMME development will not go ahead in this CPS. The Systematic Country Diagnostic (SCD) planned for FY19 will also analyze ways to increase competitiveness, growth, productivity and jobs with the aim of furthering the twin goals.

- Pillar 1 will support improvements in access to electricity to contribute to strengthening the investment climate and raising living standards for rural and small towns. The new investment operation (FY19) will focus on reinforcing the transmission grid in the North-Western part of Eswatini and supporting construction of a 10 MW Solar PV Plant at Lavumisa. Increased electricity supply in small towns and rural communities will enhance overall productivity for households and SMMEs and will benefit agriculture and agro-processing. IFC will engage with Independent Power Producers (IPPs) as they emerge, considering the bankability of the power off taker and possibility of lower cost power imports from South Africa.

Pillar II: Strengthening State Capabilities

30. Pillar II will be retained in its current form, with some changes to content within its objectives because of cancellation of the Public-Sector Performance Improvement Project. Some planned outcomes on public sector management will be scaled back, although efforts will be made to provide support in key areas through grant resources and regional work for Southern Africa. A follow-up health operation will build on the successes of the project closing in September 2018.

- To strengthen economic management objectives under Pillar II, outcomes associated with public financial management, auditing capacity, asset management, and local government strengthening will proceed as originally planned, while others such as civil service reforms, public investment planning, PPP development and procurement will be adjusted based on availability of resources. IFC will offer workshops on PPP that will help pave the way for more IFC involvement in Eswatini. Support for public financial management will focus on the ongoing work of building an integrated financial management system, in part with grant support from the European Union. The Bank will explore possibilities for additional funding to continue and expand this work during the CPS period to cover, *inter alia*, better commitment control, expenditure arrears management in addition to analytical work on expenditure efficiency.

- Support on procurement will be integrated into new operations such as provision of advisory services in the preparation of the procurement framework for on- and off-grid renewable energy. On civil service reform and governance, the Bank will support at least two South-South knowledge exchanges to enable counterparts to learn from successes of comparator countries. This will include learning about approaches to maintain integrity in payroll systems, institutionalizing mechanisms for declaration of conflicts of interest to promote transparency in the management of public resources. The Bank will also support assessment and rationalization of SOEs.

- The Bank has been engaging the budget department to develop and maintain a BOOST database which will help provide reliable revenue and expenditure data to enable better public expenditure decisions. In addition, a comprehensive Public Expenditure Review (PER), to be undertaken in FY19, will support public expenditure planning and decision-making. The fiscal incidence analysis (FY19) under the Southern Africa Programmatic Poverty Assessment will also support better decision-making by clarifying levels of public spending on the poor. The study will also be an important input to the FY19 SCD. Finally, support for fiscal management will be pursued through a Bank-supported regional SACU initiative to develop fiscal stabilization mechanisms – including possibly a regional stabilization fund to smooth the impact of volatile SACU revenues on fiscal stability and public investment programs.

- Support for public asset management will continue to be provided through the Bank's Treasury Department and its Reserves Advisory and Management Program (RAMP). The program has already made considerable headway including implementation of the Portfolio Analytics Tool (PAT) used to keep track of the reserves' 27 portfolio holdings, and monitoring of compliance with investment guidelines in relation to credit and market risk. Going forward, support will also be provided to implement an operational risk framework by streamlining IT systems architecture, employing more enhanced portfolio management techniques and enhancing the monitoring and reporting framework to ensure good governance.

- Support for strengthening capacities at the municipal and rural local government level has been provided through the ongoing Local Government project which has already delivered important results including timely budgeting, improved asset management and accountability, and increased community participation in the identification of local infrastructure investments. The project will be closing in June 2019 and is almost fully disbursed (98 percent).

- A follow-on project in support of the health sector will be added under the second objective on social services delivery. The proposed project design for the new health project builds on solid performance of the closing project.

- Finally, the Bank will support efforts to improve resilience of water resources and systems under this pillar. A key instrument in this regard is the proposed FY20 water project which will build on ongoing feasibility analyses to define and support implementation of appropriate systems for increasing water security, with a focus on underserved rural areas.

VI. RISKS

31. ***The risks to the CPS program are assessed as substantial.*** The main risks that could affect the CPS program are three-fold. First, Eswatini's fiscal trajectory continues to be worrisome as efforts to curb the deficit through revenue measures have been unsuccessful so far. Further fiscal deterioration would hamper Government capacity to implement Bank-supported projects, and could significantly weaken the macroeconomic situation. Secondly, the risk of policy dissonance between the various arms of Government has proven very high during CPS implementation. This risk will be mitigated through the adjusted engagement model. The third main risk is associated with limited capacity, which can significantly slow down project development and implementation. Aligning project design to existing capacities, while targeting relevant stakeholders with capacity-building interventions, especially in finance and procurement, will help to reduce this risk. The overall risks to the CPS are listed in Table 4: Systematic Operations Risk-Rating Tool (SORT) below.

Table 4: Systematic Operations Risk-Rating Tool (SORT)

Risk Categories	**Rating**
Political and governance	High
Macroeconomic	High
Sector strategies and policies	Substantial
Technical design of project or program	Substantial
Institutional capacity for implementation and sustainability	Substantial
Fiduciary	Substantial
Environment and social	Moderate
Stakeholders	Moderate
Overall	**Substantial**

Annex 1: Updated CPS Matrix

Pillar I: Promoting growth and productivity
A dynamic private sector is critical to achieve sustained economic growth. Priority reforms are necessary to create conditions conducive to attract private sector investment. Bank support in this area will prioritize **(i) Improved business environment**
CPS Objective 1: Improved business environment
Intervention Logic: The WBG interventions aim to support the country address challenges of low growth by: (i) strengthening the investment climate to improve the ease of doing business, and (ii) supporting the National Trade Facilitation Committee to improve cross-border trade. The WBG will also support Government efforts towards financial inclusion through (iii) implementation of the FSDIP and review of the supervision framework for financial sector and NBFI; and (iv) support improvements in access, quality and reliability of electricity, as a means both of strengthening the investment climate and raising living standards. The Bank will support the country's efforts through analytical and advisory services in areas with moderate to substantial operational risks and with significant pay-offs.

CPS Objective Indicators	**Supplementary Indicators**	**WBG Program**
– Reduced number of days to start a business Baseline: 38 (2014); Status: 30 (2018), Target: 25 (2020) – Number of Trade Facilitation Committee members trained on border management and supervisory courses Baseline: 0 (2012), Status: 30 (2018) Target: 45 (2020) – Number of NBFI supervisions undertaken Baseline: 0 (2014), Status: 3 (2018), Target: 5 (2020) – Reduction in the number of days for electricity connection *Note: Baseline and targets for energy interventions to be determined at preparation of the lending operation*	– Investor Roadmap implemented (FY20) – SIPA supported to operationalize its trade facilitation and investment promotion mandate (FY18-20) – NBFI supervisor framework reviewed (FY20) – Capacity building for NTFC on border management and supervisory courses (FY20) – Recommendations of the Time Release study implemented (FY20)	*Activities*: *Knowledge* – ASA to the SIPA, SRA (FY19-20) – ASA to support financial sector deepening (FY18-19) – ASA on Variable Renewable Energy (Solar PV and Wind) (FY20) – ASA on Procurement and regulatory framework for on-grid and off-grid Renewable Energy (FY20) *Lending*: – Energy Project (new; FY19) *Trust Funds* – FIRST (financial sector deepening-ongoing)

		Authorities: SIPA, SRA, Ministry of Agriculture, Ministry of Trade and Commerce, Central Bank, **Partners**: EU, AfDB, IFC, USAID
Pillar II: Strengthening State Capabilities		
A capable and well performing state requires strong domestic sources of revenue and effective public service delivery; while human capabilities need to be enhanced to increase growth, raise incomes and alleviate poverty in a sustainable manner. The World Bank Group can contribute to strengthening state capabilities in the following areas: **(i) Economic management** and **(ii) Social services delivery**		
Objective 1: Improved economic management capacity		
Intervention Logic: The capacity constraints within the Government undermine policy implementation, service delivery and adequate macroeconomic management. To help address these issues, the Bank will support Eswatini in the following areas: (i) PFM, (ii) reserves asset management, and (iii) local government. The Bank interventions were identified through sector analytics and the country selectivity framework. This is a core program area and it carries *substantial* implementation risks.		
CPS Objective Indicators	**Supplementary Indicators**	**WBG Program**
Number of Central Bank staff trained on reserves portfolio analysis and management Baseline: 0(2014) Target: 15 (2020) Number of PFM Action plan recommendations implemented Baseline: 0 (2014), Status: 2 (2018) Target: 3 (2020) Increased number of (9) ULGs receiving a score >80 on financial performance assessments; Baseline: 25% (2011); Target: 75% (2018), Status: 100% (2018) ULGs with annual financial audit completed within 6 months within the end of the FY; Baseline: 25% (2011); Target: 75% (2018); Status: 100% (2018).	RAMP implementation (FY15-20) PER conducted (FY19); BOOST tool implemented (FY20); IFMIS rolled out (FY20) Assessment and rationalization of SOEs report (FY20) South / South exchanges on governance and civil service reform undertaken (FY20) The Financial management and infrastructure delivery capacity building for local governments completed (FY18)	*Activities* *Knowledge* Reserve asset management training and advisory for Central Bank staff IFMIS implementation and training Expenditure efficiency analysis Capacity building for urban and rural local Governments on financial management, procurement and auditing Development of recommendations for sustainable local Government financing framework *Lending:* Local Government Project (FY11), Closing FY19

50% (2015) female beneficiaries under the Banks Local Government IPF intervention; Status: 51% (2018). Percent of ULGs with completed, up-to-date road asset registries: Baseline: 0 (2010); Target: 100%(2018); Status: 100% (2018). Roads rehabilitated, Non-rural- Baseline: 0 (2011); Target: 40 km2018); Status: 40km (2018). Minimum percentage of operating budget allocated to asset maintenance: Baseline: 5% (2010); Target: 15%(2018), status: 15% (2018).		*Trust Funds:* EU Integrated Financial Management Information Systems Support (Ongoing) **Authorities**: MOF, Central Bank, **Partners**: EU, IMF, AfDB, USAID.

Objective 2. Improved Social services delivery		
Intervention Logic: The state ability to effectively address the growth and poverty challenges is hampered by inadequate poverty monitoring, fragmentation of the social protection programs, the high prevalence of disease (TB and HIV/AIDS), undermining human capital investments. In collaboration with other development partners, the World Bank will support the country efforts to (i) consolidate the safety nets and management; (ii) improve quality of the health services delivery, and (iii) strengthen the poverty statistical monitoring, (iv) improve access to quality water resources in rural areas. The Bank interventions will support this strategic area with lending and TA. The operational risk level is *moderate* to *substantial*.		
CPS Objective Indicators	**Supplementary Indicators**	**WBG Program**
– Number of surveys conducted with Bank support. – Baseline: 0 (2014), Status: 2 (2018), Target: 3 (2020) – Number of beneficiaries reached through the OVC cash transfer pilot; – Baseline: 0 (2014), Status: 7000 (2018) Target: 7000 (2018) – Percentage of health facilities that provide five public health services – Baseline: 54% (2011); Target: 80% (2018) – Caesarian deliveries as a percentage of institutional deliveries at health centers – Baseline: 0% (2011); Target: 5% (2018) – TB treatment success rate – Baseline: 71% (2011); Target: 80% (2018) *Note: Baseline and targets for water interventions to be determined at preparation of the lending operation*	– Training in data dissemination and analysis tools (ADePT, ADP etc) (FY17-20); – Establishment of an information and targeting system, a payment mechanism for administration of OVC cash transfer pilot (2017-18); – National Health Sector Strategic Plan 2014-2019 developed (FY18) – Health care professionals trained on HIV /TB prevention and treatment (FY18); – Renovation of health facilities completed and health facilities functional (FY17-18); – Regional TB treatment protocol implemented (FY17-18); – Tracking system for TB patients developed(FY17-18); – HIV efficiency study completed (FY18); – HIV effectiveness evaluation completed (FY18). – Integration between the Somtongo-Matsanjeni system in the Sheselweni Region to the Nhlangano system; – Increased water storage capacity of at least one national Dam;	*Activities:* *Knowledge* – Capacity building to the Ministry of Health, Deputy Prime Minister's Office and Central Statistics Office (FY16/17); – Review of the National Water Masterplan (FY20) *Lending* – Health, HIV/AIDS/TB IPF (FY11), closing FY18; – Water Project (FY19), New *Trust funds* -EU Health, HIV/AIDS and TB Support -Statistical Capacity Building - **Authorities:** Ministry of Health, Deputy Prime Minister's Office, Central Statistics Office; Ministry of Natural Resources-Department of Water Affairs, Eswatini Water Services Cooperation **Partners**: EU, PEPFAR, UN, Japan Social Development Fund.

Annex 2: Changes to the Results Matrix Compared to 2015 CPS Version

Original CPS Outcome(s)	Changes to CPS Outcomes (Revised, New, Dropped)	CPS Program Milestones & Outputs (*Dropped* or Added)	Reason for changes to CPS Program Milestones/Outputs
Pillar I: Promoting Growth and productivity			
Objective 1. Improved business regulatory environment			
1.1 Reduced number of days to start a business;	Reduced number of days to start a business;	No change	
1.2 Number of Revenue Authority Staff trained on customs management and supervisory courses. Baseline: 0 (2012), Target: 45 (2020)		No change	
		No change	
1.4 NBFI supervisory framework strengthened	NBFI supervisory framework strengthened;	No change	
1.5 SME support programs consolidated and strengthened	SME support programs consolidated and strengthened;	Dropped	Interventions initially defined in this area are postponed to future programs due to limited resources following cancellation of the private sector competitiveness project
Objective 2: Skills Development (Dropped): Interventions initially defined in this area are postponed to future programs due to limited resources following cancellation of the private sector competitiveness project			
Pillar II: Strengthening State Capabilities			
Objective 1. Improved economic management capacity			
3.1 Strengthened reserves portfolio analysis and management		No change	
3.2 Increased number of (9) ULGs		No change	

receiving a score >80 on financial performance assessments			
3.3 Strengthened public procurement and internal audit capacity; ULGs with annual financial audit completed within 6 months within the end of the FY;		No change	
3.4 50% (2015) female beneficiaries under the Banks Local Government IPF intervention;		No change	
3.5 Improved capacity of local Governments to undertake infrastructure delivery projects;		New	Need to capture CPS engagement in this area not included in the original results matrix;
Pillar II: Strengthening State Capabilities			
Objective 2. Improved social services delivery			
Strengthened CSO capacity to gather and release statistics in accordance with international standards		No change	
Improved support to poor families through the OVC cash transfer pilot		No Change	
Percentage of health facilities that provide five public health services, Baseline: 54% (2011); Target: 80% (2018);		No Change	
Caesarian deliveries as a percentage of institutional deliveries at health centers Baseline: 0% (2011); Target: 5% (2018);		No Change	
TB treatment success rate Baseline: 71% (2011); Target: 80% (2018);		No Change	

Annex 3: Summary of Progress on CPS Objectives

CPF Objectives	Indicators	Status of Indicators	Comments
Pillar 1: Promoting growth and productivity			
1. Improved business regulatory environment	Reduced number of days to start a business. Baseline: 38 (2014); Target: 25 (2020)	**On track**	Commencement with this TA was delayed, currently Bank staff are working with counterparts including the Ministry of Commerce, SRA and SIPA. A DB action plan has been developed.
	Number of NTFC members on customs / border management and supervisory courses. Baseline: 0 (2012), Target: 45 (2020)	**On track**	Three training sessions were delivered for approximately 15 trainees each. This was followed by attachment of some participants to the South African revenue service to gain practical experience on in key areas such as post-clearance audits, intelligence gathering, creation of profiles and targeting, and single window border environments
	NBFI supervisory framework reviewed (2020)	**On track**	The FSDIP was completed in FY17 and follow up work continues in the extended CPS period with Bank support on financial inclusion and IMF focus on stability.
	Reduction in the number of days for electricity connection	**New**	To be defined at project preparation

CPF Objectives	Indicators	Status of Indicators	Comments
Pillar 2: Strengthening State capabilities			
1. Improved economic management capacity	Number of Central Bank staff trained on reserves portfolio analysis and management; Baseline: 0(2014) Target: 15 (2019)	**On track**	This Bank Treasury led support to the Central Bank of Eswatini has been delivered successful with 15 staff trained so far including in collaboration with the South African Reserve Bank. Further support includes focus on advisory on asset management and RAMP workshop on performance and attribution.
	Number of PFM Action plan recommendations implemented with Bank support Baseline: 0 (2014), target: 3 (2020)	**On track**	(i)Support to the internal audit department was successfully completed in 2016 in collaboration with the US Department of State, (ii) Integrated Financial Management Information Systems currently under implementation (iii) The Bank will support Public Expenditure Review FY19 and (iv) A paper on efficiency of Government spending has been prepared and options presented for Government consideration.
	Increased number of (9) ULGs receiving a score >80 on financial performance assessments; Baseline: 25% (2011); Target: 75% (2018), Progress: 100% (2018).	**On track**	This project has been implemented with strong results and is almost fully disbursed at 98% disbursement rate. It will be closing in June 2019. Currently the team is undertaking completion studies, as well recording various communication pieces documenting results achieved.
	ULGs with annual financial audit completed within 6 months within the end of the FY; Baseline: 25% (2011); Target: 75% (2018); progress: 100% (2017) Percent of ULGs with completed, up-to-date road asset registries: Baseline: 0 (2010); Target: 100%(2018);	**On track**	The project focused on institutionalising procedures and processes of ensuring capacity building of participating local governments, which are now bringing benefits to the local governments, evident in progress to 100% of supported local governments financial performance scores. Community involvement in the selection of projects and monitoring during implementation promoted accountability and contributed in timely completion of works in a number of project sites.

	Roads rehabilitated, Non-rural- Baseline: 0 (2011); Target: 40 km2018); Minimum percentage of operating budget allocated to asset maintenance: Baseline: 5% (2010); Target: 15%(2018), Progress: 11.5% (2017). 50% (2015) female beneficiaries under the Banks Local Government IPF intervention; progress: 51% (2017) Number of South /South exchanges on governance and civil service reform supported. Baseline: 0 (2018), Target: 2 (2020)	**New**	Local governments participating in the project have institutionalised good PFM practices, audits are conducted timely with largely no adverse observations; The project reached 14,000 female beneficiaries, accounting for 51% of total beneficiaries.

CPF Objectives	Indicators	Status of Indicators	Comments
Pillar 2: Strengthening state capabilities			
1. Improved social services delivery	Number of surveys conducted with Bank support. Baseline: 0 (2014), Target: 2 (2018)	**Completed**	Developed methodology of the 2016/17 Eswatini Income and Expenditure Survey (SHIES), additional support provided for the Labour Force Survey processing and a series of trainings on ADEPT poverty and data analysis were conducted, supported by TFSCB grants.
	Number of beneficiaries reached through the OVC cash transfer pilot; Baseline: 0 (2014), Target: 7000 (2018)	**Completed**	13,506 OVC beneficiaries reached, Electronic payment mechanism developed by the Bank was adopted by other development partners (WFP, Red Cross) because of its effectiveness. In addition, the project supported an Impact Evaluation of the OVC. This together with a proposed fiscal space analysis for safety nets are to inform policy-making on safety nets and scale up.

	Percentage of health facilities that provide five public health services Baseline: 54% (2011); Target: 80% (2018) Caesarian deliveries as a percentage of institutional deliveries at health centers Baseline: 0% (2011); Target: 5% (2018) TB treatment success rate Baseline: 71% (2011); Target: 80% (2018)	**On track**	68.3% (2018) Health facilities providing all 5 public health services. 9.96 (2018) 82% (2018) 1, 939 Health care professionals trained by February 2018. This includes training on TB management, maternal and child health, Emergency Obstetric Care training, as well as general nursing at Good Sheperd. The NHSSP is for 2014-18 completed and being implemented. Both the project and the ASA support implementation aligned with UHC / SDGs; Renovations completed in all project supported sites.
	Water Project FY19 (New); Integration between the Somtongo-Matsanjeni system in the Sheselweni Region to the Nhlangano system; Increasing water storage capacity of at least one national Dam	**New**	


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SWAZILAND
SELECTED CITIES AND TOWNS
DISTRICT CAPITALS
NATIONAL CAPITAL
RIVERS
MAIN ROADS
RAILROADS
DISTRICT BOUNDARIES
INTERNATIONAL BOUNDARIES
SOUTH AFRICA
MOZAMBIQUE
SWAZILAND
HHOHHO
LUBOMBO
MANZINI
SHISELWENI
MBABANE
Manzini
Siteki
Piggs Peak
Hlatikulu
Ngonini
Bulembu
Emlembe (1,862 m)
Tshaneni
Mhlume
Lomahasha
Madlangampisi
Ka Dake
Mliba
Ezulwini
Mhlambanyatsi
Matsapha
Bhunya
Sidvokodvo
Siphofaneni
Mankayane
Big Bend
Sicunusa
Sitobela
Gege
Maloma
Nsoko
Nhlangano
Mhlosheni
Lavumisa
Drakensberg
Lebombo Mts.
Mlumati
Komati
Mbuluzi
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Mzimphofu
Nyetane
Lusutfu
Ngwempisi
Mkondvo
Mgwavuma
To Hectorspruit
To Komatipoort
To Nelspruit
To Maputo
To Bethal
To Volksrust
To Mkuze
To Ulundi
To Hluhluwe
31°E
32°E
26°S
27°S
0 10 20 30 Kilometers
0 5 10 15 20 Miles
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