



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 25-Jul-2019 | Report No: PIDA26530



BASIC INFORMATION

A. Basic Project Data

Country Eswatini	Project ID P166697	Project Name Kingdom of Eswatini: Water Supply and Sanitation Access Project	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 12-Aug-2019	Estimated Board Date 30-Sep-2019	Practice Area (Lead) Water
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Eswatini Water Services Corporation	

Proposed Development Objective(s)

To increase access to improved water supply and sanitation services in targeted areas of Eswatini.

Components

- Component 1: Resilient Water Access and Management
- Component 2: Improved Sanitation Access
- Component 3: Project Management
- Component 4: Contingency Emergency Response Component (CERC)

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	45.00
Total Financing	45.00
of which IBRD/IDA	45.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	45.00
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Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

The Kingdom of Eswatini is a landlocked, small open economy in Southern Africa, with a land area of 17,364 km² and a population of 1.34 million.¹ The King, as Head of State, holds supreme executive, legislative and judicial powers. Eswatini has been independent since 1968. The country defines itself as a “monarchial democracy,” where both parliamentary and traditional systems of governance run concurrently. The Prime Minister, appointed by the King, is Head of Government and chairs Cabinet. The King also appoints 10 of the 76 members of the House of Assembly (the lower house of Parliament) and 20 of the 31 members of the Senate (upper house of Parliament). Parliamentary elections were last held in September 2018 and the new administration is yet to implement any major policy shifts. The country has four administrative regions: Hhohho (25.3 percent of population), Manzini (39.4 percent of population), Shiselweni (15.1 percent of population) and Lubombo (20.3 percent of population).²

Eswatini is largely mountainous with 78 percent of the population living in rural areas,³ an overall population growth rate of 1.8 percent.¹ With a Gross Domestic Product (GDP) per capita of US\$2,776, the country is classified as a lower middle-income country. Eswatini relies on South Africa for about 85 percent of imports and about 60 percent of exports. The economy is largely driven by agriculture-based exports and this sector employs over 70 percent of the population.⁴ Sugar is the largest single earner of foreign exchange, contributing up to 20 percent of GDP in 2017. Despite the large agrarian population, much of the farming is subsistence and results in low productivity. Agriculture (without the sugar industry) contributed 7.3 percent to GDP in 2016 and the Government of the Kingdom of Eswatini (GoKE) seeks to boost the sector through commercialization and intensification of agriculture.⁵

¹ WDI Country Profile, 2016

² Multiple Indicator Cluster Survey, Central Statistics Office, 2014

³ United Nations Population Division, 2014-2015

⁴ US Department of Agriculture (Swaziland agricultural economic fact sheet)

⁵ FAO (Swaziland Agricultural Development Project - SADP)



Eswatini is a member of the Southern African Customs Union (SACU) which includes Botswana, Lesotho, Namibia and South Africa. SACU members share a common external tariff policy, exchange freely their goods internally, and distribute among themselves the pool of customs and excise taxes collected by the union. For 2018/19, SACU receipts are expected to account for 34 percent of the country's total revenue and grants compared to 43 percent in the previous period as growth in South Africa, the main contributor to the SACU revenue pool, remains moderate, while domestic spending pressures rise.⁶

Poverty, inequality and unemployment remain the most stubborn primary development challenges for Eswatini and overcoming these is a Government priority. Poverty levels have remained unchanged over the last five years, with approximately 40 percent of the population estimated to be living under the international US\$1.90 poverty line. Furthermore, an estimated 60 percent of the population is poor. Income inequality is high, with an estimated Gini coefficient of 0.51 in 2009/10 which may have worsened due to the absence of pro-poor growth to date. Development outcomes are hindered by the high HIV prevalence rate estimated at 27.2 percent (female: 32.5 percent, male 20.4 percent). Consequently, life expectancy fell to 46 years in 2004, but has since rebounded and in 2017 reached 60 years. Eswatini scored 0.41 on the Human Capital Index, ranking 124 out of 157 countries⁷. The HCI measures the amount of human capital that a child born today can expect to attain by age 18. It conveys the productivity of the next generation of workers compared to a benchmark of complete education and full health.

Eswatini's development challenges are exacerbated by its vulnerability to external and climate-related shocks, including floods, droughts, and wild fires which negatively impact on health, food security and productive economic activity while disproportionately affecting the rural poor. Mitigation and adaptation measures are important given the strong role of the agriculture sector, as well as the large share of the population in rural areas relying on subsistence agriculture.

Sectoral and Institutional Context

The water sector is one of Eswatini's most valuable assets, central to the country's long-term development goals and critical for mitigating against increasing climate risks. Eswatini's surface water resources are estimated at 4.5 km³/year with 42 percent originating from South Africa. The country relies on transboundary rivers and groundwater for its water supply, and the ratio of total annual water withdrawals to total available annual renewable supply averages is between 40-80 percent,⁸ making it a high-water stress country.

Although universal access to safe water and sanitation is part of Eswatini's National Development Strategy, the country remains behind its established goal of achieving 100 percent water supply and sanitation coverage by 2022. Whilst access to water supply and sanitation services is relatively high in urban areas, rural areas are lagging behind as shown in Table 1 below.

⁶ IMF: Country Report No. 17/274

⁷ https://databank.worldbank.org/data/download/hci/HCI_2pager_SWZ.pdf

⁸ World Resources Institute; https://wriorg.s3.amazonaws.com/s3fs-public/aqueduct_country_rankings_010914.pdf?_ga=2.79169556.1660194554.1553017757-1662036744.1552070501.



Table 1: Rates of Access to Improved Water Supply and Sanitation

	Urban	Rural
Access to improved sources of drinking water	96	63
Access to piped water on premises	95	28
Access to improved sanitation	94	78

Sources: Multiple Indicator Cluster Survey, Central Statistics Office, 2014 and
Aquaconsult: Swaziland Rural Water Sustainability Study, 2015

Sanitation coverage nationally is relatively low in rural areas based on available data. Of the 78 percent of the rural population with access to improved sanitation, two percent are connected to sewerage systems, four percent use septic tanks and 72 percent use latrines and other improved types of facilities, of which 29 percent are shared. The remaining 22 percent of the rural population has either access to unimproved facilities (eight percent) or practice open defecation (14 percent). In addition, only 25 percent of the population in rural areas have handwashing facilities. Poverty prevalence and access to water supply, sanitation and hygiene are strongly correlated, with the lowest quintiles having the least access.⁹ The data available does not provide clear diagnostics for the level of sanitation service across the service chain (containment, conveyance, transport, treatment and reuse) and how poor sanitation and hygiene is impacting health.

An estimated 26 percent of children under 5 years in Eswatini are stunted,¹⁰ with stunting more prevalent in rural areas (27 percent) compared with urban (19 percent). The Shiselweni region has the highest percentage of stunting at 28 percent. Diarrhea is currently the most significant cause of death of children under 5 years in Eswatini, accounting for nearly 20 percent of all deaths of children under 5 years; of these, an estimated 69 percent is attributable to unsafe sanitation and 81 percent is attributable to unsafe water source.¹¹

In addition to challenges related to access, overall sustainability of rural water supply and sanitation services is poor. A 2016 water point mapping exercise carried out by DWA showed that one third of the rural water supply schemes are no longer working and 11.5 percent functioning only partially. Of the larger reticulated schemes, the mapping exercise found that one quarter of the systems are no longer functional.¹²

This lack of sustainability of rural water supply schemes is rooted in a number of operational as well as institutional and policy shortcomings, and can be linked to: (i) the fact that existing management models do not provide for operational or financial support to communities in the operation and maintenance of the systems post-construction; (ii) the lack of policy instruments that provide specific guidance on key issues such as alternative/adequate management models, the constitution and nature of water service providers, sanitation and hygiene provision and asset ownership; (iii) technical guidance and standards are not formalized, which means they cannot be enforced on NGOs or other entities working in the sector and are not known or recognized by other sector stakeholders; (iv) poor facility design and lack of

⁹ Multiple Indicator Cluster Survey, Central Statistics Office, 2014

¹⁰ Swaziland Multiple Indicator Cluster Survey, 2014

¹¹ Institute for Health Metrics and Evaluation (IHME). *GBD Compare Data Visualization*. Seattle, WA: IHME, University of Washington, 2016. Available from <http://vizhub.healthdata.org/gbd-compare>. (Accessed October 25, 2018)

¹² Water point mapping exercise, DWA, 2016



construction oversight; (v) low levels of tariff payment; (vi) the lack of an information system that can provide accurate representation of assets, coverage and meaningful information on service levels for strategic planning and investments.

Recently, in a bid to overcome some of these challenges, the MNRE through the DWA signed an agreement with EWSC, in which the rural water investment budget is transferred to EWSC, and EWSC provides technical, procurement and project management expertise for the timely completion of quality rural water supply schemes, following the community-based management model explained above. Although this addresses some of challenges, the issues of alternative management models and adequate post construction support have not been addressed.

The challenges for long-term sustainability of rural sanitation are similar and include: (i) poor operation and maintenance of existing sanitation and hygiene infrastructure; (ii) inappropriate sanitation infrastructure for rural households and informal settlements; (iii) limited available finance and budget for sanitation and hygiene, with no specific budget available for operation and maintenance of institutional facilities (schools and health centers) or support to domestic services; (iv) need for better coordination and cooperation between the multiple sector actors (e.g., central government, public institutions, decentralized institutions, municipalities, private sector, international organizations, non-governmental organizations and community-based organizations) to optimize resource allocation; (v) need to develop local supplies and market for sanitation so local entrepreneurs can deliver on-site sanitation solutions. The Government has recently adopted a National Sanitation and Hygiene Policy and developed a sanitation strategy that highlights clear activities and priorities to address some of the identified shortcomings. Nevertheless, there is still a need to complement this effort with regulation addressing sanitation and hygiene that takes a holistic approach, and includes aspects such as gender (e.g., menstrual hygiene) and support for its implementation.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective is to increase access to improved water supply and sanitation services in targeted areas of Eswatini.

Key Results

The PDO level results indicators are as follows:

- a. People provided with access to improved water sources (number);
 - i. People provided with access to improved water sources - Female
- b. People provided with access to improved sanitation services (number);
 - i. People provided with access to improved sanitation services - Female
- c. People reached through hygiene behavior awareness campaign.



D. Project Description

The project will target improved access to water supply and sanitation and increase the resilience of water supply in the Shiselweni region. It will also strengthen sector institutions and policies for drought and disaster risk management, water resources management as well as water supply and sanitation. The project will include 4 components, as follows: (1) Resilient Water Access and Management, (2) Improved Sanitation Access, (3) Project Management, and (4) Contingency Emergency Response.

Component 1: Climate Resilient Water Supply Expansion (\$27 million). This component will increase potable water supply access to an additional 18,478 people in rural areas and small towns in the Shiselweni region. It will finance the expansion of water transmission and distribution systems, and the transmission line will allow for the interconnection of the Nhlanguano and Lavumisa water supply system, providing households with access to reliable water supply, therefore increasing their resilience to climate-exacerbated droughts. In addition, this component will strengthen sector institutions and policies for water resources management and water supply and sanitation and disaster risk management, focusing on improving drought resilience and long-term sustainability of rural water and sanitation service provision.

Component 2: Improved Sanitation Access (\$15 million). This component will build on the ongoing work done by the Environmental and Health Department in the Ministry of Health for domestic rural sanitation to arrive at an open defecation-free corridor in the Shiselweni region, covering three tinkhundla targeted by the project (Zombodze, Hosea and Shiselweni I). It will finance investments and technical assistance to improve the overall long-term sustainability of sanitation services, including behavioral change campaigns and a pilot of child-centric water supply and sanitation interventions in households with children under 1000 days old. The component will also pilot the use of alternative technologies for sustainable sanitation service delivery for informal settlements, health centers and schools.

Component 3: Institutional Strengthening and Project Management (\$1.87 million). This component will provide project management support including operating costs, the preparation of progress reports, independent audits, as well as support on project financial, procurement, environmental and social management, as needed.

Component 4: Contingency Emergency Response (Zero Budget). This component will support potential disaster recovery needs by providing immediate response to an eligible crisis or emergency, as needed.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

The project 's Environmental and Social Risk Classification is Moderate. A draft Environmental and Social Impact



Assessment (ESIA) and associated Environmental and Social Management Plan (ESMP) has been prepared that will be finalized prior to the detailed design phase of the project, as part of the Environmental and Social Commitment Plan (ESCP). In addition, as part of the ESCP the contractor will be responsible for preparing and implementing a Construction Environmental and Social Management Plan (CESMP) including Traffic Management Plan, Waste Management Plan, Spoils disposal and Remediation Plan, and Health and Safety Plan prior to any civil works.

Key environmental risks and impacts will largely occur during the construction phase of the project and will be related to (i) pollution of water quality from excavation of trenches, accidental hydrocarbon spills from machinery and equipment and from chlorine from cleaning of the new pipes, (ii) erosion and sedimentation from earthworks and run-off, (iii) traffic during the construction phase, (iv) disposal and management of waste/spoil from earth works and construction equipment and machinery, (v) occupational health and safety of workers, (vi) nuisances related to air and noise emissions during construction, and (vii) community health and safety. The draft ESIA includes flow rates over the last 5 years of the Mkhondvo River, which is the source of water for the project. According to the data, the lowest minimum flow rate (which is the worst-case scenario in 5 years) can accommodate the allocated quota of water per year, while leaving sufficient water for downstream use and aquatic life. The water balance, including allocation for users beyond the abstraction point, will be conducted during the detailed design phase of the project and incorporated into the final ESIA.

Social risks and impacts are related to land acquisition, restrictions on land use and involuntary resettlement, labor and working conditions, prevalence of GBV and HIV/AIDS in the country, potential impacts to community health and safety, and the Client's limited experience in implementing Bank funded projects. These anticipated impacts and risks are expected to be managed/mitigated through the ESIA and the associated Environmental and Social Management Plan, as well as through the Resettlement Policy Framework and any subsequent Resettlement Action Plans. Physical displacement shall be avoided to the extent possible.

Note: To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

E. Implementation

Institutional and Implementation Arrangements

A Project Steering Committee will be formed comprising high-level representatives from the Ministry of Finance, Ministry of Economic Planning and Development, MNRE, MoH, Ministry of Education and Training, and Ministry of Tinkhundla Administration and Development, EWSC and NDMA. The Project Steering Committee will have consultative and decision-making powers and be responsible for providing strategic guidance to project implementation.

The EWSC will have responsibility for day-to-day project implementation and coordination of activities. EWSC has established a project implementation unit (PIU), which includes a manager/coordinator and key specialists in the areas of engineering, environmental, social, procurement and financial management. In addition to these specialists, the PIU will also include sub-coordinators from DWA, EHD-MoH, and NDMA.



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APPROVAL

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