**Portfolio Name: Sustainable and Inclusive Economic Growth**

**Portfolio Number: PPFLIO-000090**

**Start Date:** 01 January 2021 **End Date:** 31 December 2025 **PAC Meeting date:** 22 September 2021

**Projects Included in the Portfolio:**

|  |  |  |
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| **Project Names** | **Project Number** | **Implementing Partner** |
| 1. Harnessing nature-based solutions for climate and development |  | MTEA |
| 1. Accelerating diversification & private sector led growth for poverty reduction |  | MCIT |
| 1. Disaster risk reduction and climate change adaptation |  | DPMO |
| 1. Access to affordable clean energy services |  | MNRE |
| 1. Strengthening structural transformation for economic recovery and poverty eradication |  | MEPD |

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| **Brief Description** |
| The Kingdom of Eswatini is faced with slow growth, high levels of unemployment, rising poverty and inequality – a situation that has been further amplified by the COVID -19 pandemic. As demonstrated by the COVID-19 Socio-Economic Impact Assessment led by the UN system, the pandemic has had multidimensional impact by exacerbating these existing vulnerabilities that further impede progress on Sustainable Development Goals. A critical dimension to the progress on SDGs is the impact of climate change given the country’s unique topographical and multi-scale interaction of weather producing systems together with anthropogenic factors that underline the climatic extremes.  Aligning to the Country Programme Document and the UN Cooperation Framework (CF) (CPD 2021-2025) Outcomes, UNDP offer as envisaged in this portfolio is derived from the CPD theory of change giving primacy to the poverty-environment nexus as most optimal approach to address the intermeshed dimensions of poverty and environment. UNDP offer is aimed to address the underlying causes of slowing economic growth, vulnerabilities to disaster risk and climatic extremes through a combination of interrelated and reinforcing projects. .  The projects include: projects: **Project 1**: Harnessing nature-based solutions for climate and development; **Project 2**: Accelerating diversification & private sector led growth for poverty reduction; **Project 3**: Disaster risk reduction and climate change adaptation; **Project 4**: Access to affordable clean energy services; **Project 5**: Strengthening structural transformation for economic recovery and poverty eradication.  The Portfolio focusses on building sustainable partnerships and facilitate interventions at both national and regional levels. It also employs pilot method to test innovative solutions that can be upgraded further and integrated as part of the review of the National Development Plan and National Development Strategy. |

**Contributing Outcome(s) (UNDAF/CPD, RPD or SP):**

By 2025, women, men and youth, including marginalized persons, contribute to and benefit from economic progress, through greater access to decent employment, equitable social economic opportunities, sustainable enterprise opportunities as well as resilient, financially sustainable social protection systems

**Indicative Output(s) with gender marker:**

**Project 1: Harnessing nature-based solutions for climate and development**

*CPD Output 1.1*

Strengthened policy and regulatory regimes at national level for the management of natural resources, environment, biodiversity and chemical use

*Gender marker:3*

**Project 2: Accelerating diversification & private sector led growth for poverty reduction**

*CPD Output 1.2*

Capacities of small-scale food producers (in agriculture) strengthened to adopt inclusive value-chain approaches in agriculture and allied sectors to address marketing bottlenecks and losses in post-harvest

*Gender marker:1*

*CPD Output 1.3*

Policies and incentive frameworks governing MSMEs (in tourism and ICT) strengthened to mitigate COVID-19 impact and generate sustainable enterprises for employment

*Gender marker: 1*

**Project 3:**  **Disaster risk reduction and climate change adaptation**

*CPD Output 1.4*

Data and risk informed development policies, plans, systems and financing incorporate integrated and gender responsive solutions to reduce disaster risks, enable climate change adaptation and mitigation

*Gender marker:2*

*Output 1.4.A*

Index based weather insurance for small scale producers pilot tested and integrated into national climate risks response

*Gender marker:2*

*Output 1.4.B*

Strengthen climate risk and early warning data production and dissemination across sectors of government and local governments

*Gender marker:3*

**Project 4: Access to affordable clean energy services**

*CPD Output 1.5*

Solutions adopted to achieve universal access to clean, affordable and sustainable energy

*Gender marker:1*

**Project 5: Strengthening structural transformation for economic recovery and poverty eradication**

*CPD Output 2.1*

Capacities developed across whole of government and Parliament to integrate SDGs and human rights including gender equality into national planning and budgets

*Gender marker:3*

*CPD Output 2.2*

National coordination capacities for economic recovery strengthened with special attention on COVID-19 economic impact

*Gender marker:2*

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| **Total resources required** | **$24 022 940,00** | |
| **Total resources allocated** | UNDP TRAC: | 1 513 000 |
| Donor: |  |
| Government: | 1 500 000 |
| In-Kind: |  |
| **Unfunded** |  | |

|  |  |
| --- | --- |
| **Government** | **UNDP** |
|  |  |
| Date: | Date: |

**AGREED BY:**

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| --- | --- | --- |
| **Implementing Partner 1** | **Implementing Partner 2** | **Implementing Partner 3** |
|  |  |  |
| Date: | Date: | Date: |
| **Institution: MTEA** | **Institution: MCIT** | **Institution: DPMO** |

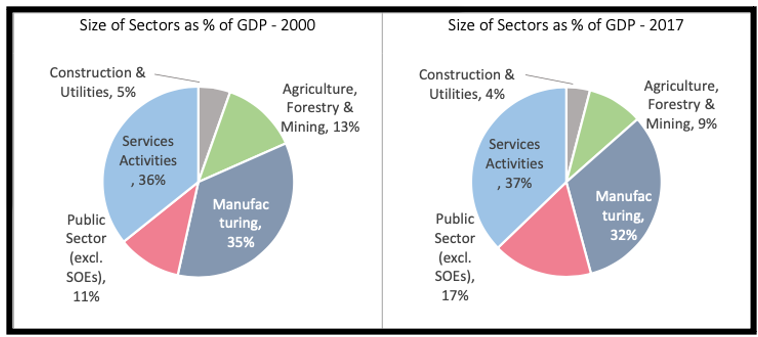
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| **Implementing Partner 4** | **Implementing Partner 5** |
|  |  |
| Date: | Date: |
| **Institution: MNRE** | **Institution: MEPD** |

**DEVELOPMENT CHALLENGE**

1. Weak Economic growth, unemployment, climactic extremes remain the most persistent primary development challenges for Eswatini.

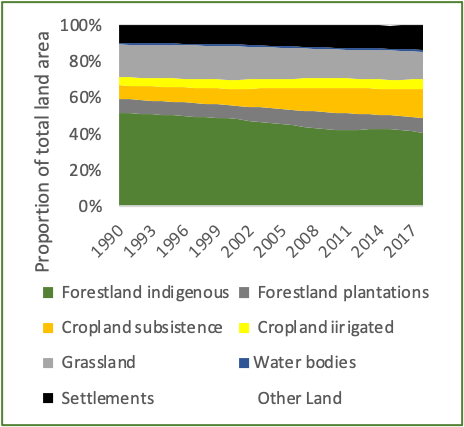
Real GDP per capita growth has averaged just 2.0 percent per year over the last decade. Weak productivity growth (measured by value-added per worker) is one of the key underlying reasons (MEPD, MARD 2018)[[1]](#footnote-1). With GDP Per Capita at USD 3,870 (2017) country is classified as a low middle-income country. However as noted in the National Development Plan (2019/20-2021/22) status as a low middle-income country is misleading given the national poverty rate at 58.9 percent and population living below extreme poverty line estimated at 20 percent[[2]](#footnote-2). Poverty rates between 2000 and 2017 reduced from 69 percent to 58.9 percent[[3]](#footnote-3) (EHIES) showing concerns on the pace of reduction. Another dimension is increasing trend of number of poor. While the poverty rate shows a declining trend albeit at a slow pace, the number of poor increased between 2001 and 2017[[4]](#footnote-4). Furthermore, as highlighted by the World Bank, share of urban population living below the national poverty fell by 19.6 percentage points, as against only 9.6 percentage points in rural areas. COVID-19 compounds these trends further.

1. Unemployment rate at 23 percent[[5]](#footnote-5) is a key impediment to poverty reduction narrative of the country.Unemployment within youth (15-24) is significantly high at 47.4 percent[[6]](#footnote-6). Unemployment increased as a result of the pandemic, with the number of people affected by temporary layoffs rising more than tenfold, largely in urban areas. During the year 2020 there were one hundred and ninety-five (195) temporary layoffs which were approved by the Department of Labour and in the process Twenty-four thousand eight hundred and twenty-seven (24827) employees were affected; compared to four (4) temporary lay-offs applications that were received and approved in 2019 wherein two thousand four hundred and forty-six (2,446) employees were affected[[7]](#footnote-7). The increase in the number of layoffs applications in the year 2020 is mainly attributed to the on-going COVID-19 pandemic.

As shown from the NDP analysis, a comparison of size of sectors as % of GDP between 2000 and 2017 establishes that it is public sector (excluding SOEs) that experienced maximum expansion while manufacturing and agriculture reduced. Constraints to the private sector is envisaged through this sector composition.

On the other hand, in 2017 rural poverty rate was 70.1 percent as against 19.6 percent in urban areas[[8]](#footnote-8). Over 90 percent of the poor people live in rural areas suggesting that agriculture is at subsistence level and associated with higher poverty[[9]](#footnote-9). With close to 90 percent of poor living in rural areas deriving livelihood and yet agriculture as a sector contribution to GDP has seen a regression trend suggests the centrality of productivity improvement and value addition to the sustainable development narrative of the country.

1. Wage income is a key driver given the size of public service. Wage income out of total income at national level is 54.19 (in 2017) up from 35.95 (in 2010). However, inequality persisted in this same period and also showed slow pace of poverty reduction. This can be explained from differences between bottom 40 and top 60 population segments divided along wage income and agricultural income: Bottom 40 Wage Income: 2010 is 32.19 percent and 2017 is 36.49 percent and Top 60 Wage Income: 2010 is 38.45 percent and 2017 is 65.86 percent. Similarly, Bottom 40 Agricultural Income: 2010 is 16.81 and 2017 is 9.31 and Top 60 Agricultural Income: 2010 is 19.62 and 2017 is 5.63[[10]](#footnote-10). That is, agricultural incomes declined across all categories. This sectoral composition of economy coupled with over 70% of unemployed persons as having been out of work for at least a year[[11]](#footnote-11) and net enrolment rates at secondary level remaining low at 46.3 percent and only about 5 percent of high school leavers going into tertiary education[[12]](#footnote-12)shows unemployment remains a structural challenge with high implications for 2030 Agenda. These structural challenges are further accentuated due to informality in the economy. As per the ESEPARC/UNDP study (2017) informality as a share of GDP stands at 38.5 percent which is one of the largest in Africa.
2. Geographical factors further influence these economic dimensions of the country. Complex interactions of the varying topography and multi-scale weather producing systems combined with human induced changes, makes climatic extremes a key driver in the poverty and extreme poverty narrative of the country. SDG 13 associated with climate change is central to the country – not because Eswatini is a high contributor to greenhouse gas emissions, but more so because the geographical and socio-economic characters of the land locked-nation creating vulnerabilities to the effects of climate change.
3. Degradation of biodiversity and ecosystems,resulting from unsustainable use of natural resources, pollution from agricultural development, unplanned urbanization and industrial development activities, is compounding the vulnerability of the economy and the population from geolocation induced natural systems. The loss of primary forest and woodlands, which are biodiversity rich areas, was estimated at 11% between 1990 and 2018[[13]](#footnote-13) (whilst human settlements and subsistence cropland increased by an estimated 5% and 8.5%, respectively) the same period. The loss of biodiversity rich ecosystems means reduced capacity of ecosystems to provide goods and services, especially for water retention and flood attenuation, thus exposing the population to climate change and disasters. In addition, 46,000 people lived on degraded agricultural land in 2010, which represented an increase of 17 percent in a decade compared to 2000 figures, bringing the share of rural residents who inhabit degraded agricultural land to 5 percent of the total rural population. The annual cost of land degradation in Eswatini is estimated at US$100 million, which is equal to 2.9 percent of the country’s GDP[[14]](#footnote-14).



Source: SOER 2020

1. Major export crops such as sugar cane and fruits are heavily reliant on irrigation, and water resources are under threat from degradation of catchments especially wetlands that are drained for agriculture, roads, and settlements. Projections show that the country will experience a decrease in precipitation, thus rainfall run-off and water availability in the country’s catchment will decrease[[15]](#footnote-15). The country’s main catchment’ stream-flows are projected to decrease by 40% by 2050. The decrease in water quantity is likely to affect the country’s irrigated agriculture, domestic and industrial use and hydropower generation capacity which abstract water from these catchments. Of particular significance is that since the country’s largest irrigated crop is produced within the Lowveld region with irrigation water coming from the highveld. According to the State of Environment Report 2020 more than 95% of the country’s water-use is dedicated to commercial irrigated agriculture notably the irrigation of sugarcane.
2. Access to energy is a driver of economic activities in both urban and rural communities hence no or limited access to energy resources means poverty alleviation is a far-fetched goal. Eswatini has one of the highest rates of electricity access in Africa at 80% in 2019, up from 64% in 2014. The high national electrification rate masks the variance between urban centers (90%) and rural areas (69%). The Kingdom of Eswatini Energy Masterplan 2034 notes that most households are within a kilometer of the national grid, but it is increasingly expensive to extend the network to remote areas. UNEP estimates that Eswatini’s primary fuel mix contains 66% traditional fuels[[16]](#footnote-16), meaning that traditional-fuels consumption would total approximately 2,438 GWh and produce an additional 3.6 MtCO2e over and above what is produced by modern methods, and that total GHG emissions from energy for the country may reach 4.7 MtCO2e.[[17]](#footnote-17) Domestic use of wood fuel is unsustainable and associated with indoor pollution[[18]](#footnote-18), which contributes to the burden of respiratory diseases.
3. Strengthening resilience to climatic extremes is highly contingent on ability to estimate risks and promotion of risk centric policy making and implementation. An analysis by UNDRR[[19]](#footnote-19) During FY 2014/15 to 2018/19 an average of USD 124 million per year was allocated to projects, functions or administrative activities relevant to DRR. This translates to 8.8 percent of the national budget over the five financial years. Report further identifies that larger part of budget allocation consists of appropriations targeting DRR implicitly rather than directly (‘significant’ investments). This amounts to 72 million USD per year or 58 percent of the total estimated budget for DRR (DRR investment), equivalent to 5.1 percent of total national budget over these five years. Budget allocations directly targeting DRR (‘principal’ DRR investments) average 52 million USD per year or about 42 percent of the total estimated DRR investment, representing 3.7 percent of the national budget for the financial years covered.

Analysis shows that a small number of institutions account for a large share of the DRR investments. About 80 percent of the principal DRR projects, functions and/or administrative activities are carried out by just four institutions – the Ministry of Agriculture, the Ministry of Health, the Fire and Emergency Services and the Deputy Prime Minister’s Office. The Ministry of Agriculture and the ministry of Health are responsible for more than 50 percent of the principal DRR investments. Likewise, close to 90 percent of the significant DRR investments are undertaken by three institutions – the Ministry of Public Works and Transport, the Ministry of Health and the Ministry of Natural Resources and Energy. The Ministry of Public Works and Transport is responsible for more than a third of this investment and more than a quarter is under the control of the Ministry of Health. Donor funding complementing the government’s spending on principal DRR activities is also at substantial level. Over the three-year period from 2015 to 2017, donors spent on average about 5.42 USD Million per year (8.6 percent of total principal investments), mainly on emergency response.

While the impact of disasters and climatic extremes is cross-cutting efforts to contain and mitigate is highly concentrated within ‘response sphere’ as opposed to equally on ‘prevention sphere’.

1. It is the mutually reinforcing impact of low economic growth, higher unemployment levels with underlying vulnerabilities to climatic extremes, that is fundamentally shaping the development narrative associated with SDGs. 2015/2016 El Nino induced drought and its socio-economic impact is most recent evidence to loss in production across the SADC region including Eswatini. Within the context of the country, this impact was translated into loss of overall GDP between: 3.2 percent in 2016 to 0.36 percent in 2018. Food import and electricity import context is a fundamental driver working against the progress on SDGs. This is further compounded by climatic extremes.
2. As part of the portfolio focussing on sustainable and inclusive economic growth, developmental challenges as enumerated above are underpinned by the following immediate, underlying and root causes and it is the interplay amongst these which primarily contributes to the persistent development challenges.

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| **Immediate Causes** | Food import and higher food inflation; large segment of population locked in subsistence farming; narrow export base; energy import and higher energy costs; lack of adequate and tailored social protection systems; access to economic resources to women; overdependency on non-renewable electricity for agricultural and economic activities; limited adaptation capacities to risks including disasters across sectors of government. |
| **Underlying Causes** | Limited skills and capacities driving unemployability and youth unemployment; mismatch between production and regional demand; varying topography and geography – lowveld has a marked drought hazard; anthropogenic interferences; annual loss of forests to cropland (9.1km2); land and forest degradation limits ability of women to engage in economic activities. |
| **Root Causes** | Narrow production and export base; low value addition, rising temperatures impacting precipitation patterns; COVID-19 induced contraction in demand; gender inequality. |

1. Compounding these pre-existing conditions is multifacted impact of COVID-19. UN led Socio-Economic Impact identified that the COVID-19 would increase the poverty due to its impact on jobs and livelihoods[[20]](#footnote-20). Poverty is expected to increase with nearly 65,800 people falling below poverty line in 2020 alone. Approximately 15,500 would have been lifted out of poverty if the pre-COVID per capita growth were maintained. The NDP proffers a minimum growth rate of 5 percent per annum as needed to meaningfully impact the socio-economic development trends in the country. In pre-COVID period, real GDP reached to recent maximum levels of 2.4 percent[[21]](#footnote-21) (in 2018). On an already slowing economy, COVID-19 delivered a significant negative impact on economy pushing into contraction by 2.4 percent compared to growth of 2.2 percent in 2019[[22]](#footnote-22).

For the economy, while the impact of COVID-19 is multifaceted, two fundamental transmission channels of impact of COIVD-19 that cuts into the core of the SDG progress in country is the impact of SACU revenues and tourism. These are big ticket trend that shapes the macroeconomic stability. With the lockdowns some of the key job sectors like the tourism are greatly impacted pushing the population dependant on tourism into extreme vulnerability. Lower external demand and the continued recession of South African economy will impact SACU revenues and the ability of the country to mitigate the impact of COVID-19. Although the reduced oil prices aid in reduced import bill, overall lower external demand is a larger challenge for reversing the impact of COVID-19. Poverty is projected to increase as the pandemic caused closures, lower SACU revenues, increased unemployment.

For the population, pre-existing food import context is a vital source of vulnerability that is further compounded by climatic extremes and anthropogenic interferences. Within the context of the country given the topographical and intense multi-scale interaction of weather producing systems, climatic factors are one of the dictating factors of the poverty narrative because of their impact on production and productivity. This is further evidenced from higher/ alleviated levels of poverty in 2 regions of Lubombo and Shsileweni[[23]](#footnote-23) and it is these 2 regions that are also experiencing higher drought conditions.

1. Given the significant proportion of poor living in rural areas are dependent on Agriculture as a source of livelihood and given the crowding out of private sector in the economy (as shown above in Para 2) it is poverty-environment nexus which is vital to addressing these interlinked developmental challenges and their root causes and vulnerabilities.

**STRATEGY**

1. Eswatini’s decreasing private sector space is a fundamental driver impacting the economy and thus impacting SDG1, SDG5, SDG 8, SDG 10. Country’s vulnerabilities to climatic extremes is central to the resilience capacities of the population and the ability to sustain progress on SDGs. SDG2, SDG13, SDG15 are vital to developing resilience to climatic extremes. On the basis of the above intermeshed developmental challenges underpinned by poverty-environment interplay, UNDP Eswatini adopting a portfolio approach proffers that it is by addressing the root, underlying and immediate causes of this interplay can credible solutions and responses to sustain progress on SDGs be conceived. In this context, adopting a poverty-environment nexus approach, UNDP Eswatini identifies the core niche for the proposed portfolio of projects is to adopt policy and programmatic interventions that can strengthen the poverty-environment linkages with inbuilt capacities to address the identified challenges through an intermeshed strategy of: (1) Finding sources of economic growth and meeting the NDP proffered growth rates; (2) Mitigate the increased vulnerabilities driven by COVID-19 pandemic through a well conceived social protection and economic recovery interventions; (3) Strengthen the resilience capacities through sustainable management of ecosystems and biodiversity, climate change adaptation and disaster risk reduction, affordable energy access, and weather indexed insurance systems.

1. Portfolio is aimed to contribute to the CPD theory of change for portfolio 1: Sustainable and inclusive economic growth.

that if agricultural productivity is improved through climate smart technology, structural impediments for the production and marketing of select crops are addressed and post-harvest losses are reduced; if local value chains especially in agri-businesses, technology and tourism are strengthened and made sustainable; if micro-small and medium enterprises are supported through improved regulations, access to credit and energy; then agricultural productivity will increase, benefiting the 77 percent of the population dependant on it, women will have improved access to markets and youth will have enhanced access to economic opportunities.

1. Noting the portfolio 1 of the country programme theory of change, strategic response of the portfolio is an integrated approach focussing on: (1) strengthening policy and regulatory regimes at national level for the management of natural resources, environment, biodiversity and chemical use; (2) developing capacities of small-scale food producers (in agriculture) to adopt inclusive value-chain approaches in agriculture and allied sectors with focus on addressing bottlenecks in markets and losses in post-harvest; (3) policies and incentive frameworks governing MSMEs (with specific focus on tourism and ICT) strengthened to mitigate COVID-19 impact and generate sustainable enterprises for employment; (4) with focus on regions experiencing heightened drought risks, pilot test an index based weather insurance programme to support small scale producers; (5) strengthening climate risk and early earning data production and dissemination across select key sectors of government; (6) Strengthening social protection mechanisms to respond to the multifaceted factors of slowing growth, inequality, COVID-19 pandemic induced loss of incomes; and (7) strengthen national coordination capacities for economic recovery strengthened with special attention on COVID-19 economic impact. This multiprong strategic response requires close working amongst a host of MDAs and national institutions. Through a portfolio approach, such partnerships will be leveraged involving a wide range of national stakeholders.
2. Sustainable and inclusive economic growth portfolio is centered around developmental settings specified in the UNDP Strategic Plan of “Outcome 1: Advance poverty eradication in all its forms and dimensions and deploys UNDPs Signature Solutions of ‘keeping people out of poverty’ and ‘nature-based solutions for development’.
3. UNDP will work closely with the national leadership in building partnerships and collaboration on five interrelated projects as identified at the design stage. Mobilising required resources will be a joint responsibility of UNDP and lead government partners. Depending on the evolving needs and dynamics, closely working with the Portfolio Board (as described in the ToR for Portfolio Board), UNDP Eswatini will adopt new projects aligned to the achievement of the outcome of the CPD, during the lifecycle of this portfolio. This flexibility is aimed to serve the twin purposes of addressing the unique developmental challenges as they evolve and also reduce the time to respond to the evolving dynamics by UNDP.

At the design stage, the Portfolio is setup with the following five interrelated projects. In implementing the portfolio, a judicious mix of national and regional focus in implementation will be adopted aligning to the *leave no one behind* principle. At the design stage, as described in the development challenges section, 2 regions of Lubombo and Shsileweni are experiencing alleviated levels of poverty and alleviated levels of impact of drought. Hence both the regions are a key focus from *leave no one behind principle.*

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| **Developmental Challenge** | **Portfolio Response** |
| Annual loss of forests to cropland; land and forest degradation; limited ability of women to engage in gainful economic activities; rising temperatures impacting precipitation patterns; declining forests and wetlands | **Project 1:** 666 nature-based solutions for climate and development  Implementing Partner: MTEA |
| Food import and higher inflationary pressures; slowing economic growth and increasing unemployment; crowding out private sector; narrow production and export base; low value addition | **Project 2:** Accelerating diversification & private sector led growth for poverty reduction Implementing Partner: MCIT |
| Limited adaptation capacities to risks including disasters across sectors of government; Climate smart agricultural practises | **Project 3:** Disaster risk reduction and climate change adaptation  Implementing Partner: DPMO |
| Overdependency on non-renewable electricity for agricultural and economic activities | **Project 4:** Access to affordable clean energy services Implementing Partner: MNRE |
| Lack of adequate and tailored social protection systems that not only protect vulnerable but also promote economic inclusion; access to economic resources to women and youth | **Project 5:** Strengthening structural transformation for economic recovery and poverty eradication  Implementing Partner: MEPD |

**RESULTS AND PARTNERSHIPS**

1. **Expected Results:** Portfolio 1 is aimed to contribute to the CF/CPD Outcome: *By 2025, women, men and youth, including marginalized persons, contribute to and benefit from economic progress, through greater access to decent employment, equitable social economic opportunities, sustainable enterprise opportunities as well as resilient, financially sustainable social protection systems.* Country Programme Document Results Framework has 5 Outputs identified as the key results of UNDP to contribute to achievement of the CF/CPD Outcome. All the projects identified above are aligned to the 5 Outputs of the approved Country Programme Document. In addition, in line with the changing developmental landscape and to position UN offer in line with these developments, new Outputs[[24]](#footnote-24) (i.e. outside of CPD) are also considered which are subject to approval of the Portfolio Board.
2. *Project 1: Harnessing nature-based solutions for climate and development*

**CPD Output 1.1:** Strengthened policy and regulatory regimes at national level for the management of natural resources, environment, biodiversity and chemical use.

Primary focus of this project is on strengthening natural resources management and environmental sustainability. Aligning to the CPD theory of change, change pathway of the project is to increase the area of natural resources that are managed under sustainable use, conservation access and benefit-sharing regime from the baseline (2020) of 4.5% of 17,364 km2 to the target (2025) of 10%.

1. As envisaged in the theory of change of CPD focussing on the poverty-environment nexus approach, the change pathway is expected to be achieved through following **key activities**: (1) Support systems for integrated land and natural resource management. This includes a) integrated catchment management planning in river basins including development of catchment and wetlands management plans; b) Improve water conservation and storage measures; c) Promote land degradation neutrality practices through rehabilitation of degraded land, to increase net land productivity), d) Rehabilitate/restore and effectively manage natural forests; and e) scale up other effective conservation measures (OECM); (2) Establish incentives for women and youth in sustainable land management, conservation and tourism: a) Promote ecotourism initiatives and support nature based enterprises and alternative livelihood options for women and youth while conserving natural resources through improved standard of existing ecotourism facilities, establish new tourism facilities in strategic attraction sites; conduct trainings on tourism business management c) catalyse private sector investment in conservation including through payment for ecosystem services and biodiversity offsets d) enhance access-benefit sharing frameworks through revenue sharing mechanisms; (3) Develop/review policy and legislative framework to create an enabling environment for natural resources management; a) review of the Environmental policy (1997), Eswatini Environmental Action Plan, b) Preparation of the: Biodiversity bill; access and benefit sharing bill; c) Development of a strategy for the management and valuation of Genetic resources for improved access and benefit sharing; d) development of revenue sharing mechanisms and payment for ecosystem services and biodiversity offsets; (4) Promote sustainable management of chemicals and Waste: a) Gender Inclusive strategy developed to strengthen waste sector policy, legislation, institutional coordination and capacity building; b) Sustainable innovative solutions developed and implemented for women and youth; c) Establishment of waste management facilities especially for health and other hazardous waste; d) Develop regulatory and policy framework for implementation of measures to phase out ozone depleting substance (Hydro Chloro-Fluro Carbons).
2. **Resources required to achieve expected results**: Key resources required to create the necessary change pathway are: (1) Leadership and ownership from the Ministry of Tourism and Environmental Affairs and Ministry of Natural Resources and Energy together with identified semi-autonomous parastatals including but not limiting to traditional leadership, Trusts, regional water management institutions, community tourism enterprises, protected area managers and private sector players; (2) Policy context for strengthening the natural resource management through reviewing some of the key strategies in line with the emerging trends. UNDP staff time both at the CO and at HQ and regional levels will be devoted to provide necessary technical support to successful implementation of the activities envisaged under the output. This includes both technical support in roll out of planned activities as well as project management support as highlighted in the governance arrangements section. Project assurance functions will be undertaken in line with UNDP project management guidelines. UNDP staff will activate a risk log to continuously monitor evolving conditions and horizon scanning for informing programme management decisions. In addition to CO staff support, as required staff missions from HQ and Regional Office to ensure quality support to the Implementing Partner in roll out of activities will be planned.
3. **Partnerships & Stakeholder engagement:** Deploying the integrator role, UNDP will support national institutions in delivery of project results by facilitating strategic partnerships and ensuring alignment with national planning and policy frameworks. At the design stage, following partners and the contribution to the change pathway are identified:

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| **Partnerships for achieving Project** | **Some of key contributions to the change pathway** |
| **Line Ministries:**  Ministry of Tourism and Environmental Affairs  Ministry of Natural Resources and Energy | * National leadership and ownership to planned activities * Convening and coordination of national stakeholders * Providing policy guidance and implementation support * Integrate project activities within the wider activities of the Ministries |
| **Parastatals**:  Eswatini National Trust Commission  Eswatini Environment Authority  Eswatini Electricity Regulatory Authority  Eswatini Electricity Company | * Implementation of project activities * Project management functions as per UNDP policies and procedures |
| **Financing Partners:**  UNDP  *Potential Financing partners:* Government cost-sharing; Donor Agencies | * Facilitating financial resources and best practices/learning |
| **Target Groups/Beneficiaries:**  Traditional leaders, Trusts; Private sector players | * As groups representing key owners on the ground to share knowledge and insights with project management team on what works and what doesn’t |

Mobilising required resources will be a joint responsibility of UNDP and lead government partners. UNDP will deploy its core resources towards capacity building, catalysing access to international financing. Catalytic resources will be deployed for interventions focussing on accreditation of national partners, undertaking feasibility studies and preparation of projects to access environment and climate finance from multilateral and bilateral partners. The government partners through existing bilateral cooperation arrangements and eligibility to multilateral and trust funds will lead engagements on areas of resource mobilisation in addition to domestic financing. The Ministry of Tourism and Environmental Affairs as the national focal point for environment and climate finance will lead resources mobilisation with multilateral funds such as the Green Climate Fund, Global Environment Facility, Adaptation Fund. Using its global network, UNDP will leverage on established roster and long term agreements of experts and service providers to complement and build national capacities.

1. **Risks and Assumptions:** At the design stage, following risks and assumptions are identified:

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| **RISKS** | **MITIGATION OF RISKS** |
| Financing project activities | Partnerships with the donor agencies  Joint resource mobilisation efforts together with the national leadership |
| COVID-19 induced risks to economy: a projected 6% decline in economic growth due to COVID-19 | Implement the project activities as part and parcel of the planned activities of the government so that synergies are ensured while also ensure cost-sharing by Government |
| Proposed project activities are cross-sectoral in nature and requires strong coordination capacities | As part of the project, capacities within the key institutions will be strengthened for greater management, coordination |

**Assumptions:**

1. UNDP will provide catalytic financing
2. Cost-sharing of project activities by government agencies/ministries
3. **South-South and Triangular Cooperation (SSTC):** Project activities will involve working at the regional level with governments and regional institutions as issues of sustainable management of ecosystems and bio-diversity are cross-border in nature. Close geographical proximities amongst the countries within the region makes SSTC a vital resource. As part of the SACU and SADC network, there is already a well-established interface at the regional level. Building on this platform, south-south promotion will be promoted for ensuring access to lessons and best practices adopted in the areas of project focus. SSTC will also be a key resource for mobilising financial resources.
4. **Knowledge:** Project will contribute to strengthening national capacities for sustainable management of ecosystems and biodiversity. As part of the implementation of activities, project management team will offer necessary importance to developing knowledge products and communication materials that will act as blueprint for next phases of institutional responses beyond the scope of the project. UNDP will also leverage its global expertise in developing these knowledge products and provide necessary technical expertise to national leadership.
5. **Sustainability and Scaling up:** As part of the wider portfolio of projects overseen by an institutional and governance framework led by the national leadership, there is emphasis on national ownership to ensure sustainability and scaling up of project activities beyond the scope of the project. Activities also coincide with the launch of the preparations of the new National Development Plan and project efforts will be integrated into the NDP process so that climate and environment centric policy and programming approaches are rolled across the *whole of government*. This ensures greater sustainability and scaling up of interventions. Explicit focus on government cost-sharing will allow integration into the government planning and budgeting.
6. *Project 2:**Accelerating diversification & private sector led growth for poverty reduction*

**CPD Output 1.2** Capacities of small-scale food producers (in agriculture) strengthened to adopt inclusive value-chain approaches in agriculture and allied sectors to address marketing bottlenecks and losses in post-harvest

**CPD Output 1.3** Policies and incentive frameworks governing MSMEs (in tourism and ICT) strengthened to mitigate COVID-19 impact and generate sustainable enterprises for employment

1. **CPD Output 1.2:**

Agriculture as a sector is heavily dominated by sugarcane and forestry. Eswatini is Africa’s fourth largest producer of sugar after South Africa, Egypt and Sudan. Sugar and sugar-based products constitutes nearly 40 percent of export base of economy. Although one of the most open economies, over concentration on narrow export base makes economy vulnerable to exogenous shocks. Government in 2020, launched a new agro-value chain development strategy prioritising value chains of fruits, vegetables and meat, meat products, providing promising prospects for agricultural diversification and value addition. Agro-industry development has been identified as one of the transformative pathways for Eswatini’s economy because of the contribution to employment and livelihoods for more than 70 percent of the Emaswati.

1. In partnership with the Government line Ministry, output focusses on improving production by facilitating ten smallholder farmers groups and building capacities for production[[25]](#footnote-25). Aim is to create a sizable and manageable number of smallholder groups (under the coordination of line Ministry) with the idea of replication by the Government as well as funding availability. Aligning to the CPD results framework output indicator 1.2.1, five of the ten smallholder farmers groups will have to be led by women. Employing the age-old economics principle that value addition creates more jobs, a key tenant of the output is to focus on building capacities of ten MSMEs[[26]](#footnote-26) to add value to the primary product and integrate value added products into the supply chains of the regional larger companies. Prioritised value chains[[27]](#footnote-27)of the Government serve the twin purpose of responding to food import demand in country as well as expand export base. Aligning to the CPD indicator 1.2.1, five of the ten MSMEs will have to be led by women.
2. Demand at the regional level is the catalytic lever to improve competitiveness within the MSMEs. Deploying UNDP integrator mandate and working closely with the national leadership, output contributes to identifying regional companies with presence across the region related to the identified value chains to act as business and technology mentors for the selected 10 MSMEs. Such partnership is mutually beneficial as MSMEs will benefit from integration into the regional markets, technology transfer and deeper expertise in adherence to standards. On the other hand, regional companies will benefit from strengthening supply chains (which have been disrupted due to pandemic).
3. As part of CPD Output 1.2, following are the **key activities**: (1) Ten (5 in year 2 and 5 in year 3) smallholder farmers groups identified, atleast half of them women, and capacity assessment undertaken in priority value chains of Vegetable, Fruits and Meat, Meat products; (2) Priority solutions needed for strengthening capacities of selected smallholder farmer groups identified, developed and deployed (with special attention to technology and financing solutions); (3) Facilitate standardized inputs to selected smallholder farmer groups in priority value chains; (4) Ten (5 in year 2 and 5 in year 3) MSMEs identified for engagement using a technically verifiable performance criteria and capacity assessment undertaken, atleast half of them being headed by women; (5) Selected MSMEs and regional larger companies’ cooperation as technology and standards mentors facilitated, ensuring adequate guidance for women entrepreneurs in particular; (6) Review specific market and export promotion strategies including identification of technical barriers for exports in priority value chains; alignment to AfCFTA and regional trade instruments and import requirements of SADC countries and quality standards of EU/US; (7) Develop incentive framework to facilitate certification companies (Global GAP) to increase presence and coverage of country products; support the implementation of the Government Value Chain strategy through promotion of enterprise development programmes.

Developing a brand for the selected value chains will be main contribution of the selected MSMEs. In order to strengthen the MSME capacities, technology mentorship will be tapped into from willing regional companies. Such a facilitation will assist in regional companies integrating into the business context of the country in priority value chains identified by the government. It is expected that results of the output would motivate more focus on collation of collective strength of small holder farmers both by the Government as well as farmers themselves. It is the collective strength of the smallholder farmers which will act as a basic capital for increasing production.

As highlighted in the strategy section, special focus will be accorded to geographies facing higher/elevated levels of extreme poverty and poverty trends. By focussing on building capacities of the smallholder farmers in such geographies and in non-sugar producing groups – output will explicitly contribute to increasing production in new agricultural outputs/produce.

1. **CPD Output 1.3**:

Output focus is on economic diversification to expand the export base and given the central role of MSMEs - effort is target policy context governing MSMEs in general and MSMEs within 2 sectors of tourism and ICT as institutional groups which are experiencing adverse impacts of COVID-19 pandemic. Population dependent on MSMEs for livelihood and youth will benefit from envisaged policy and incentive framework changes aimed at diversification and alignment of the policies and inventive frameworks to the new continental regimes. The output will also focus on promoting and supporting the implementation of the Government of Eswatini Trade In Services Strategy 2017, which seeks to promote export of services as a means to increasing trade as well as promoting the service industry in the country.

Output focus on legislative framework will contribute to the ease of doing business and expanding exports. Tourism and ICT are of special focus because of the following evidence:

Tourism is a substantial per capita income earner for Botswana (US$494), RSA (US$141) and Namibia (US$132), while tourism revenues per capita are almost negligible in Lesotho (US$18, Eswatini (US$11), Mozambique (US$4) and Malawi (US$2), despite the relatively rich tourism resources of these countries.

Trade deficit for ICT in South Africa alone has grown since 2011 from R42 billion to R97 billion in 2014. Almost half of ICT imports – 47.5% consisted of radio, television and communication equipment, and 30.7% consisted of office and computing machinery. Demand for ICT exports is poised to increase further given the focus of stimulus package of South Africa for recovery from COVID-19. As also highlighted in the Budget Speech 2021 of the country, ICT imports into South Africa have increased owing to COVID-19 pandemic creating new surge in demand.

It is positioning of the MSMEs to these trade opportunities that will unlock a significant employment generation opportunities through exports.

1. **Key activities** include: (1) Strengthen the legislative and regulatory framework for the development of the MSMEs and Ease of Doing Business; (2) Develop an export strategy for private sector led growth; (3) Map the stimulus packages of all SADC countries and develop product linked policies, incentives and investments scheme to boost manufacturing in products where country has comparative advantage and demand at regional level; (4) Reconfigure trade, investment, taxation, commerce, industrial and fiscal policies and regimes to post COVID-19 environment, regional and continental initiatives like the AfCFTA and opportunities of digitalisation; (5) Product linked policies, investments, incentives scheme rolled out for tourism and ICT sectors to restart from the pause of COVID-19; (6) New tourism tours/products offering premium visitor experience, including in eco-tourism, in close collaboration with regional and global partners/companies within SADC region developed; (7) Develop standards associated with food industry as part of effort to create an ecosystem for tourism promotion in the country; (8) Transport-Customs-border crossing policies for seamless tourist and trade reviewed in line with regional standards and protocols; (9) Priority action plan developed for strengthening institutional credit for tourism and ICT specific MSMEs; (10) Develop a position paper and joint regulatory action plan for strengthening, expanding affordable and stable internet services and access to MSMEs; (11) Skills building vocational programme focussing on tourism and ICT sectors developed in close collaboration with regional and global private sector companies, providing training opportunities for women in particular; (12) Identify and test innovations/solutions towards enhancing employment of women, youth and persons with disabilities in tourism and ICT sectors; (13) Conduct Informal Sector Survey.

*Product linked policies, incentives and investment* scheme for 2 sectors of Tourism and ICT on the basis of mapping of regional demands and trends will offer significant push to the MSMEs entrepreneurial actions in tourism and ICT (CPD Indicator 1.3.1 and 1.3.2). A key tenant of this output will be on business linkages with regional players and developing policies and incentives that facilitate regional players to open business units in country. While unemployment is an issue of importance, unemployability is also an equally importance concern for recovery from COVID-19. In this regard strategies for skills development within the targeted sectors will unlock new opportunities of jobs for youth and women.

1. Demand at the regional level is the catalytic lever to improve competitiveness within the MSMEs in these 2 sectors. As a strategy, Project will work closely with the national leadership in identifying strategies and policies that can facilitate the regional tourism private sector players and regional ICT companies open businesses in Eswatini and integrate qualifying MSMEs as part of their business and supply chains. Policy options and strategies of such nature will facilitate in attracting regional players into the country. UNDP Accelerator Lab is a key resource to work closely with national leadership in ease of doing business and strengthening regional integration.
2. **Resources required to achieve expected results (CPD Output 1.2 and 1.3):** key resources required to create the necessary change pathway include: (1) Partnerships involving multiple stakeholders aligning to the policy context offered; (2) Agricultural inputs to be provided should be of highest standards; (3) Selected smallholder farmers access to technology and financing solutions; (4) Adherence to international standards so as to facilitate in exports (at the level of production as well as value addition); (5) Access to technology mentorship for MSMEs with regional companies; (6) Clear policy choices to boost manufacturing within products of comparative advantage; (7) Access to business intelligence for tourism products and linkages with regional players; (8) Access to technology and capacities needed to boost ICT skills base and entrepreneurship; (9) Friendly tax management practices to boost domestic entrepreneurship are some of the key resources required to achieve expected results.
3. **Partnerships & Stakeholder engagement:** Deploying the integrator role, UNDP will support national institutions in delivery of output by facilitating strategic partnerships and ensuring alignment with national planning and policy frameworks. At the design stage, following partners and the contribution to the change pathway are identified:

|  |  |  |
| --- | --- | --- |
| **Partnerships for achieving Outputs** | | **Key contribution by partner** |
| **CPD Output 1.2** | **CPD Output 1.3** |
| **Line Ministries:**  Ministry of Agriculture  Ministry of Commerce, Industry and Trade  Ministry of Finance  Ministry of Finance | **Line Ministries:**  Ministry of Tourism and Environmental Affairs  Ministry of Commerce, Industry and Trade  Ministry of ICT (incl RSTP) | Provide policy guidance and implementation support for activities envisaged  Convene and coordinate national stakeholders |
| **Target Groups:**  10 smallholder farmer groups  10 MSMEs | **Target Groups:**  MSMEs working within Tourism and ICT Sectors | Role as beneficiaries on portfolio board |
| **Technology Partner:**  1 regional company with established brand value in selected value chains | **Technology Partner:**  2 regional companies with established brand value in tourism and ICT sectors | Act as mentors; share business intelligence; market standards; sharing of technology |
| **Financing Partners Potential Partners**  UNDP Government Cost-sharing  1 Commercial Bank Donor agencies | | UNDP to provide catalytic financing for project activities  Commercial bank linkages is to ensure sustainability |

1. Government cost-sharing and resource mobilisation will be pursued as appropriate to achieve project outputs. In addition to UNDP financing, it is vital for purposes of sustainability that commercial banks are involved from the planning stages as part of the preparations to act as financing partners. Such partnership will facilitate in building necessary credit history which will be vital for commercial banks’ lending decisions. Project envisages 1 financing partner for association with 10 smallholder groups and 10 MSMEs. Project identifies that partnerships envisaged in this output will also have a knock off impact as demand for private input providers will stimulate entrepreneurial activities which in itself has potential to generate additional jobs. Within the partnerships envisaged, catalytic lever embedded is the role of regional player to act as a technology mentor. Regional player providing technology mentorship and solutions at the production and value stages will not only attract such players to operate in country but also strengthen the marketing and integration at regional levels.
2. **Risks and Assumptions:** Following risks and assumptions at the design stage:

|  |  |
| --- | --- |
| **RISKS** | **MITIGATION OF RISKS** |
| Coordination amongst MDAs and private sector and other stakeholders within the context of COVID-19 protocols | Project will rely on the established mechanisms of coordination by working closely with the national leadership and also use the existing regional platforms to work closely with regional actors |
| Technology partnerships involving players outside of the country | Implementation will rely on the experiences of the countries within the region through an enhanced SSTC focus as well as access to experts with technical and subject knowledge |
| Climatic extremes impacting productivity and availability of standardised inputs | Building on the ongoing work of the UNDP on early warning systems, portfolio management team will update Portfolio Board regularly on the impact of climatic extremes |

**Assumptions:**

1. Presence of an established institutional structure for implementing project activities
2. Financing of project activities through government cost-sharing and donor resource mobilisation
3. **South-South and Triangular Cooperation:** To achieve the Outputs envisaged in the project, strengthening linkages with the regional actors is vital. Project activities involve working with established regional business leaders in value chains. In this context project will focus on deepening the SSTC interface as required to facilitate sharing of knowledge and lessons from within the region. Technology and standards are two key areas for leveraging SSTC linkages so as to unlock the development potential of the activities envisaged.
4. **Knowledge:** Outputs will result in increased capacities for smallholder farmers and collective action towards reducing extreme poverty and poverty. Technology and financing solutions will be key knowledge products that will be available for replication beyond scope of project. Mentorship through partnerships will lay foundations for improving business skills, product knowledge and adherence to international and regional standards which will be useful beyond scope of project. Adherence to quality standards of regional and EU/US protocols will be vital for exports. Proposed analytical studies (such as FINSCOPE) will offer firm foundation for establishing baselines for the project activities and act as inputs for policy making.
5. **Sustainability and Scaling up:** Project will be implemented in line with the national implementation modality overseen by a Portfolio Board comprising of key national stakeholders. This institutional arrangement will create necessary interfaces for mainstreaming and integrating project activities beyond the scope of the portfolio period. Through cost-sharing, where applicable, Project activities will be mainstreamed into the government budgeting which is a key step for scaling up the project activities on the basis of results.
6. *Project 3: Disaster risk reduction and climate change adaptation*

**CPD Output 1.4** Data and risk informed development policies, plans, systems and financing incorporate integrated and gender responsive solutions to reduce disaster risks, enable climate change adaptation and mitigation (IRRF 2.3.1)

**Output 1.4.A** Weather index based insurance for small scale producers pilot tested and integrated into national climate risks response

**Output 1.4.B** Strengthen climate risk and early warning data production and dissemination across sectors of government and local governments

1. **CPD Output 1.4**

In line with the policy focus, National Emergency Response, Mitigation and Adaptation Plan (NERMAP 2016-2022), and Nationally Determined Contribution, this output will focus on integrating climate and disaster risk reduction in investments in 5 key sectors and vulnerable regions. **Key activities** will include:

*Strengthen integrated disaster risk reduction and climate change governance*

This will include: (1) Disaster risk management and climate change adaptation plan for local government (municipalities, chiefdoms) developed; (2) Prepare National Disaster Risk Reduction Strategy (3) Develop methodology for integrating disaster risk reduction (DRR and CCA) and resilience activities into sector development plans and programmes; (4) Conduct capacity building training on integration of climate change adaptation, DRR and gender; (5) Strengthen multi-sectoral disaster risk reduction platform (6) Mobilize and coordinate private sector engagement in climate action and disaster risk reduction; (7) Gender inclusive budgeting and financing for climate change and DRR including risk financing framework, Climate Budgeting Tagging, Climate Finance Accountability Landscape Assessment, (8) Facilitate accreditation of national entities to access international climate funds; (9) Establish a national climate/environment finance mechanism and MRV system; (10) Enhance implementation of the Nationally Determine Contribution to raise climate action ambition.

*Scale up climate smart investments at community level*

This will include: (1) Improve water conservation and storage measures such as improved catchment management through women and youth groups; (2) strengthening cooperatives managed micro irrigation schemes and conservation agriculture technology transfer; (3) installation of portable water distribution.

1. **Output 1.4.A**

As identified in the development challenges section, 2 regions Lubombo and Shiselweni have alleviated drought vulnerabilities and poverty levels. From leave no one behind perspective these 2 regions are vital for the overall SDG narrative in the country. In this regard, focus of this output is on *piloting* an index-based weather insurance programme for small scale producers to mitigate the risks induced through climatic extremes. This pilot will serve to design and implement a weather index based insurance programme and lessons of which will be integrated into the NDP so as to explore replication and using as a national strategy if lessons are positive.

This output is also linked to the proposed pilot activity under the CPD Output 2.2 dealing with progressive expansion of inclusive social protection systems which also is a pilot based within the same 2 regions.

Aligning to the emerging COVID-19 impact and the expected increase in the poverty rates this output is developed at the design stage as an additional response aligning to the poverty-environment nexus of the Country Programme results framework.

Some of the key activities to achieve the Output include: (1) Conduct a feasibility for launch of weather linked insurance scheme in the country; (2) Develop an index based weather insurance scheme guidance, modalities and risk coverages and launch scheme as a pilot in 2 regions of Lubombo and Shiselweni; (3) Enhance climate risk transfer and financing including insurance and social protection

1. **Output 1.4.B**

Responding to the need to strengthen climate change governance focussing on disaster risk reduction and the need to integrate climate risks and usage of the early warning data on a continuous basis to inform policy responses, output focussing on climate governance is considered. Some of the key activities to achieve the output include: (1) Capacity assessment of hydro-meteorological and/or disaster management personnel undertaken and develop a capacity response plan; (2) Train and equip hydro-meteorological and/or disaster management personnel; (3) Increase and strengthen weather, hydro, climate and air-quality observation networks that support early warning systems and community-based disaster risk management including procurement and installation of hardware and software that will facilitate monitoring, forecasting and detection that will improve early warning for early action’ (4) Multi-hazard risk assessment conducted to produce national risk profiles and atlas; (4) Develop multi-sectoral awareness/ communication strategy on DRR and climate change; (5) Establishment of regional early warning centers; (6) Develop an integrated multi-hazard early warning system including bulletin, spatial maps; (7) Develop tailor made products for sectors and establish partnerships for dissemination of climate and early earning information.

1. **Resources required to achieve expected results (CPD Output 1.4, Output 1.4.A and Output 1.4.B):** key resources required to create the necessary change pathway include: (1) Policy guidance: as identified in the development challenge section, a major policy shift is needed integrating disaster risk as an integral part of the key sectors of the government and local governments. This shift in policy stance is needed to change the current position of DRR implemented by a select few agencies. Impact of climate is cross-sectoral and facilitating a *whole of government* approach is needed given the presence of country within unique topographical and multi-scale interaction of weather producing systems and due to evidence that nearly 32 percent of the population are exposed to intermittent hydrometeorological, bio-epidemiological and geophysical hazards induced disasters on a yearly basis[[28]](#footnote-28) The hazards include droughts, floods, hail and windstorms, pest infestation, cyclone induced mudslides and rock falls as well as veld fires. (2) Access to expert and technical assistance to launch innovative options like the climate budget tagging, climate finance and MRV mechanisms; (3) Capacities for management of the hydro-meteorological infrastructure; (4) Strengthened coordination systems amongst key sectors and ministries.
2. **Partnerships & Stakeholder engagement:** Deploying the integrator role, UNDP will support national institutions in delivery of project results by facilitating strategic partnerships and ensuring alignment with national planning and policy frameworks.

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| --- | --- | --- | --- |
| **Partnerships for achieving Outputs** | | | **Key Contribution by Partner** |
| **CPD Output 1.4** | **Output 1.4.A** | **Output 1.4.B** |
| **Line Ministries**  DPMO – NDMA  Ministry of Tourism and Environmental Affairs  Ministry of Finance  Ministry of Economic Planning and Development  Ministry of Agriculture | **Line Ministries**  Ministry of Economic Planning and Development  Ministry of Agriculture  Ministry of Commerce, Industry and Trade | **Line Ministries**  Ministry of Tourism and Environment Affairs  Ministry of Agriculture | * Integrating climate and disaster risk reduction in development plans and budgets * Policy guidance and implementation through coordination amongst various national stakeholders |
| **Parastatals**  National Disaster Management Agency  National Agricultural Marketing Board  Eswatini Agricultural Development Enterprise | **Parastatals**  National Disaster Management Agency  National Agricultural Marketing Board  Eswatini Agricultural Development Enterprise  Insurance Regulatory Authority | **Parastatals**  National Disaster Management Agency  National Agricultural Marketing Board  Eswatini Agricultural Development Enterprise  Telecommunications companies and media houses | * Contribute to project implementation |
| **Target Groups/ Beneficiaries:**  Traditional women’s and out of school youth groups in the communities and other relevant CSOs | **Target Groups/ Beneficiaries:**  Small holder farmer groups  Insurance companies  Development banks | **Target Groups/ Beneficiaries:**  Disaster management committees  Smallholder farmer groups | * Role as beneficiaries on portfolio board * Ensure gender and youth inclusiveness * Technology adoption and implementation |
| **Financing Partners:**  UNDP  *Potential Financing partners:*  Government cost-sharing; Donor Agencies | | | * UNDP will provide catalytic financing * Explore opportunities for mobilising resources required to implement the project activities through government cost-sharing and donor engagements * Provide oversight and assurance of project delivery as per UNDP policies and procedures |

1. **Risks and assumptions:** Following risks and assumptions are identified at the design stage

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| --- | --- |
| **RISKS** | **MITIGATION OF RISKS** |
| NERMAP as a policy document is slated to end in 2022. Timely completion of new policy framework central to the project implementation | Project management team will use the Portfolio Board as a key mechanism to work closely with national leadership in putting in place policy and institutional guidance for smooth implementation of project activities |
| Disaster risk is seen as a mandate of a few agencies while the impact is cross-sectoral | Results expected from the project activities will feed into the next phase of the NERMAP and developing a cross-sectoral policy that reflects the climatic extreme realities of the country |
| Staff capacities in key sectors to interpret hydro meteorological data | As part of the project activities, specific attention will be accorded to strengthening capacities across key sectors for interpreting data and developing policy options in line with the data |
| Project financing | Cost-sharing options with government coupled with aggressive resource mobilisation led by the national leadership and technical support of the UNDP |

**Assumptions:**

1. Central assumption of the project is presence of institutional and well-coordinated mechanisms for NDC implementation
2. UNDP to provide catalytic financing
3. **South-South and Triangular Cooperation:** Given the timeframe of the National Development Plan – 2019/20-2021/22 – and the increasing efforts towards post COVID-19 recovery, country has an opportunity for positioning disaster risk reduction, climate change adaptation and resilience building at the centre-stage of development planning as well as introduce concepts such as the circular economy and low carbon green growth into the overall current *linear* economic growth-oriented development planning and budgeting model. In this regard, leveraging the already established regional linkages as being member of the SACU and SADC, project will tap into the experiences of countries within the region to integrate climate change resilience, biodiversity and environment risks into national planning and budgeting frameworks. In this context, portfolio will focus on deepening the SSTC interface as required to facilitate sharing of knowledge and lessons from within the region.
4. **Knowledge:** Project will result in increased institutional capacities for resilience and adaptation, which is vital strategy for the country’s journey to 2030 given the climate induced developmental challenges as discussed above. Citizen engagement interventions will lay the foundations for enhancing participation of the citizens into the climate agenda, paving the way for greater societal contribution. Policy work envisaged will assist in positioning the country to address the challenges posed by climatic extremes. Dialogues facilitated on emerging issues such as climate change, disaster risk reduction and gender, managing disasters within COVID context, energy access and women health, benefit sharing and conservation, climate and disaster risk financing will contribute to shaping the policy, institutional and legal frameworks. Knowledge products will be published regularly to ensure dissemination and generating momentum for greater collaboration amongst various stakeholders.
5. **Sustainability and Scaling up:** Project envisages cost-sharing and resource mobilisation to complement the catalytic financing of UNDP. This strategy will assist in aligning the project activities to the national planning and budgeting frameworks which creates necessary impetus for sustainability and scaling up. Output will be implemented in line with the national systems and infrastructure thus providing an inbuilt transition to sustain effort beyond the scope of project. Further, partnerships envisaged will offer premium opportunities for different stakeholders to come together towards one collective result and has potential to continue beyond scope of project.
6. *Project 4: Access to affordable clean energy services*

**CPD Output 1.5** Solutions adopted to achieve universal access to clean, affordable and sustainable energy

Aligning to the National Energy Masterplan 2034, the focus of this output is on strengthening access to clean, affordable and sustainable energy services. Under this output, 10 renewable energy technologies and energy efficient solutions will be developed and applied to accelerate uptake at the local level (with 50% beneficiaries being women and 10% for persons with disabilities. To realise this result, the following **key activities** will be implemented:

*Improve enabling environment and institutional capacity for sustainable energy*

This will include: a) Conduct a National Energy Survey to identify energy requirements, load profiles, typical energy sources and price points, as well as emissions impacts for residential, commercial, and industry sectors to help better design/match applications of renewable energy systems and the supporting investment/regulatory environment; b) Develop a landscape analysis of the market for distributed renewable technologies (PV, SHS, microgrids, solar irrigation, solar water heaters, etc.) assessing supply and demand for technologies and debt financing, identifying key markets and a prioritization framework, recommending design and implementation; c) Develop a National Net Metering Framework and Policy including specific incentives/tariffs and other regulatory provisions (i.e. tax exemptions on technology import) for supporting distributed energy resources (particularly rooftop solar PV, PV irrigation, solar water heaters, etc.); d) Revise the rural electrification plan to more specifically include off-grid pro-poor solutions (i.e. micro-grids, SHS, solar irrigation, etc.); e) Establish an active platform on renewable off-grid solutions to drive policy change and scale up of uptake.

*Support deployment of priority renewable energy solutions for on- and off-grid small/medium applications*

This will include: a) promoting specific investments in distributed renewable energy with various scales and technologies to help catalyze the overall sector for off-grid communities. This includes mini-grids, smaller-scale solar PV irrigation systems for small-holder farmers and solar water heating systems for households and health facilities. All of these deployments will directly reduce demand on the national electricity system reducing imports and emissions while also paving the way for expanded modern energy systems for end-users in Eswatini; off-grid energy solutions, particularly for rural communities (particularly leveraging the private sector financing facility); b) Showcasing the viability of these technology applications and helping to provide a foundation for catalyzing growth and investment across the sector.

*Capacity building and institutional strengthening for decentralized renewable energy*

This will include: a) Specific institutional capacity building for the Ministry of Natural Resources and Energy and the Renewable Energy Association of Eswatini (REAESWA) and other relevant institutions for developing, hosting and operating new programs and resources; b) Develop and implement a series of training modules related to decentralized renewable energy in Eswatini including curriculum related to policies/incentives; c) Development of National Technician/Installer Training Program with the University of Eswatini CSER and the Eswatini Energy Regulatory Authority to ensure the development of high-quality technicians/installers (including particularly opportunities for female technicians and technicians from off-grid communities) and other work force that can effectively support renewable energy investments both on and off-grid.

*Promote adoption of energy efficiency technologies and practices*:

This will include: a) Establish a baseline and financial resources requirement to supply energy efficient cooking solutions for all households in the 2 regions of Lubombo and Shislweni; b) Conduct a capacity needs assessment of the local MSMEs within country in manufacturing of energy efficient cooking solutions; c) Train and equip local MSMEs in the manufacture of energy efficient cooking solutions; d) Launch a regional supply of energy efficient cooking solutions to all households within the 2 regions of Lubombo and Shislweni[[29]](#footnote-29).

1. **Resources required to achieve expected results (CPD Output 1.5):** key resources required to create the necessary change pathway include: (1) technical expertise and in-depth subject expertise in handling a national energy survey identifying the energy requirements, load profiles, energy sources, price points, emissions; (2) institutional capacities within key national institutions for strengthening decentralised renewable energy solutions; (3) Mobilising financial resources to undertake high investment focus activities envisaged as part of the project output.

UNDP staff time both at the CO and at HQ and regional levels will be devoted to provide necessary technical support to successful implementation of the activities envisaged under the output. This includes both technical support in roll out of planned activities as well as project management support as highlighted in the governance arrangements section. Project assurance functions will be undertaken in line with UNDP project management guidelines. UNDP staff will activate a risk log to continuously monitor evolving conditions and horizon scanning for informing programme management decisions. In addition to CO staff support, as required staff missions from HQ and Regional Office to ensure quality support to the Implementing Partner in roll out of activities will be planned.

1. **Partnerships & Stakeholder engagement:** at the design stage, following partnerships are envisaged for successful implementation of activities:

|  |  |
| --- | --- |
| **Partnerships for achieving Project** | **Some of key contributions to the change pathway** |
| **Line Ministries:**  Ministry of Natural Resources and Energy  Ministry of Tinkhundla Administration and Development | * Provide policy guidance and implementation impetus for strengthening access to clean, affordable and sustainable energy solutions * Coordination of access to energy services to local governments |
| **Parastatals:**  Eswatini Energy Regulatory Authority (ESERA)  Renewable Energy Association of Eswatini (REAESWA) | * Design of regulatory context and incentives frameworks to strengthen renewable energy solutions access to vulnerable segments of the population |
| **Private Sector and Academia**:  Eswatini Electricity Company  UNESWA  ESCOT | * Strengthening capacities and exposure to renewable energy efficiency and technologies, repair and maintenance |
| **Financing Partners:**  UNDP  *Potential Financing partners:* Government cost-sharing; Donor Agencies | * Facilitating financial resources and best practices/learning * Oversight and quality assurance as per UNDP policies and procedures |

1. **Risks and assumptions:** Following risks and assumptions are identified at the design stage

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| --- | --- |
| **RISKS** | **MITIGATION OF RISKS** |
| High upfront investment/ financing requirements for renewable energy technologies | Working in close partnership with national leadership and Portfolio Board an aggressive resource mobilisation strategy will be adopted for mobilising required financial resources |
| Hi-tech and technical subject expertise requirement for implementation within limitations of COVID-19 | UNDPs global resources will be leveraged to provide necessary short term expertise requirements and will be availed in line with the COVID-19 national protocols |
| National institutions capacities to managing renewable energy technologies | As part of the project activities, capacities of the national institutions will be focussed so as to ensure sustainability and scaling up beyond scope of project |
| Inadequate enabling for private sector investment in renewable energy technologies such as solar energy | Support government in development of appropriate legislation and instruments for private sector investment |

**Assumptions:**

1. Enabling environment for private sector investment in decentralised energy solutions such as solar mini-grids will be prioritised
2. UNDPs global resources and reach to facilitate in access to required hi-tech and technical subject expertise
3. Cost of decentralised energy technologies will continue to reduce
4. Government commitment to raising renewables in its energy mix is sustained to reduce greenhouse gas emissions
5. **South-South and Triangular Cooperation:** Given the centrality of access to new technologies and need for strengthening replication capacities in-country, SSTC linkages provide a vital resource for implementation of project activities. CO has made significant investments in this area as part of the outgoing Country Programme Document. These investments will be further leveraged as part of the current Country Programme to ensure building necessary technical and institutional capacities. Lessons from the countries within the region will be vital given the similar energy landscape across the countries.
6. **Knowledge:** Project activities envisages on one side developing technical and hi-tech skills related to renewable energy solutions and on the other side involves building strong citizen interfaces through the local government structures. This two prong approach will result in building and further strengthening the institutional capacities for key national institutions. Communication materials and knowledge products as emerging from implementation of project activities will assist in continuous policy, regulatory and incentives frameworks to the needs on the ground. Mutli-sectoral partnerships as envisaged will greatly deepen the common vision for renewable energy solutions in the country while also making citizens part of the process.
7. **Sustainability and Scaling up:** One of the key sustainability challenges identified at the design stage is the continuous evolving nature of technologies associated with renewable energy. To overcome this challenge, project adopts implementation of activities in close partnership with institutions having policy (line ministry), regulatory (agencies with regulation mandate) and technical skills building (academia) mandates. Such cross partnerships will ensure sustainability and scaling up of activities beyond the scope of the project. SSTC linkages will further cement the sustainability of interventions envisaged in the project.
8. *Project 5: Strengthening structural transformation for economic recovery and poverty eradication*

**CPD Output 2.1** Capacities developed across whole of government and Parliament to integrate SDGs and human rights including gender equality into national planning and budgets

**CPD Output 2.2** National coordination capacities for economic recovery strengthened with special attention on COVID-19 economic impact

1. To mitigate the impact of Eswatini’s multi-dimensional development challenges, an equally multi-dimensional response strategy is needed. The combination of internal vulnerabilities of high poverty, inequality and unemployment on the one hand, and external vulnerabilities influencing the national economy on the other, will shape the next five years of advancements towards the SDGs in Eswatini, thus laying the foundation for progress towards 2030. SDGs 1, 2, 5, 8 and 10 will be critical for addressing these internal and external vulnerabilities. Given the multi-dimensional impediments to inclusive growth identified above, there is a strong case for enhancing national coordination capacities for economic recovery with special attention on structural transformation for economic recovery and poverty eradication.
2. Across the region the COVID-19 pandemic has caused a sharp shock to the medium-term sustainable development outlook. It also triggered significant shifts in the financing available to invest in national priorities. Public revenues have fallen, while the debt instability has risen and demand for public spending remains high over the medium term. Private investment and economic activity have been disrupted with greater risk and uncertainty. In this context, Integrated National Financing Frameworks (INFFs) are offering a framework for African governments and their partners on how to use a full range of financing sources available to increase investment, manage risks and achieve sustainable development priorities. Through its Africa Finance Sector Hub (AFSH) and Country Offices, UNDP has been supporting African countries in implementing INFFs for achievement of SDGs and Agenda 2063, which, in the short, medium and longer term, will spur continuous work across 7 interrelated areas covering both public and private finance:
3. **CPD Output 2.1**

Deriving from the Country Programme RRF Indicators, project focus of this output is targeted to Indicator 2.1.1 and 2.1.2. Some of the **key activities** include: (1) Development Finance Assessment process undertaken resulting in an INFF Roadmap – Assessment and diagnostics, SDG financing strategy, monitoring and review, governance and coordination arrangements; (2) Facilitate and conduct SDG investor mapping and setting up a stakeholder platform to attract financing for sustainable growth; (3) National Development Strategy and National Development Plan reviewed and new plan developed; (4) Voluntary National Review report and NHDR updated (linking to SDG financing strategy); (5) National automated M&E system rolled out and operationalised with gender disaggregated data; (6) Update SDG data on SDG1, SDG5, SDG8, SDG10, disaggregated by gender.

Reviewing the NDS and NDP are big ticket engagements that shape and influence the entire development landscape of the country. Alignment to the SDGs and specific focus on the multiple vulnerabilities and multiple deprivations faced by the vulnerable population segments in the country will be given special attention as part of project support.

1. **CPD Output 2.2**

Deriving from the Country Programme RRF indicators, some of the **key activities**: (1) Social protection coordination mechanism established and national social protection dialogue facilitated, including with a focus on workers in the informal sector; (2) Sector wide approaches launched in 5 sectors with strategic sector development and investment plans developed; (3) Capacity of Aid Coordination unit strengthened to operationalise the Development Cooperation Policy (including hosting institutional structures envisaged in the Policy); (4) Revive the Capital Project and Budgeting Management System (CPBMS); (5) Support the review of the social assistance policy; (6) Post COVID-19 recovery needs assessment plan developed and implemented[[30]](#footnote-30); (7) Pilot a safety net programme in selected regions (complementing the index based weather insurance programme as identified under Output 1.4.A).

1. **Resources required to achieve expected results (CPD Output 2.1 and Output 2.2)**: Some of the key resources required to create the necessary change pathway are: (1) Political leadership oversight and guidance for the NDS and NDP process; (2) Coordination within different arms of government and with non-state stakeholders; (3) Policy guidance and Vision; (4) Procurement of software on SDGs; (5) Capacities within the Aid Coordination Unit to host and support the new institutional structures/mechanisms as envisaged in the Development Cooperation policy; (6) Access to technology especially digital solutions that can facilitate in launch of SWAPs (7) Access to best practices on SWAPs within the priority sectors.
2. **Partnerships and stakeholder engagement:** Deploying the integrator role, UNDP will support national institutions in delivery of output by facilitating strategic partnerships and ensuring alignment with national planning and policy frameworks. At the design stage, following partners and the contribution to the change pathway are identified:

|  |  |  |
| --- | --- | --- |
| **Partnerships for achieving Outputs** | | **Key Contribution by Partner** |
| **CPD Output 2.1** | **CPD Output 2.2** |
| **Line Ministries**  Ministry of Economic Planning and Development  Central Statistical Office  Ministry of Finance | **Line Ministries**  Ministry of Economic Planning and Development  DPMO  Ministry of Labour  Ministry of Finance  **Sector Partners**  Line Ministries and relevant stakeholders engaged in sector activities | * Policy frameworks * Convening and coordination of national stakeholders * Provide implementation support * Updated data on SDGs * Strengthen engagements with different stakeholders and facilitate roll out long term planning and constant engagement for refining policy choices |
| **Target Groups/ Beneficiaries**  Population facing extreme poverty and poverty impact | **Target Groups/ Beneficiaries**  Private sector institutional groups and vulnerable groups benefiting from enhanced coordination within Sectors | * Role as beneficiaries on portfolio board * As target groups to share knowledge and insights with project management team on what works and what doesn’t |
| **Financing Partners:**  UNDP  *Potential Financing partners:*  Government cost-sharing; Donor Agencies | | * Facilitate financial resources and best practice/ learning * Project management functions as per NIM |

1. **Risks and assumptions:** Following risks and assumptions are identified at the design stage:

|  |  |
| --- | --- |
| **RISKS** | **MITIGATION OF RISKS** |
| Limited coordination amongst MDAs and private sector and other stakeholders within the context of COVID-19 protocols | Building on the ongoing UNDP initiative of facilitating licenses to online platforms for hosting of meetings, adherence to national COVID-19 protocols will be ensured |
| Inadequate detailed disaggregated data on impact of COVID-19 | Project will use the experts within the academia in addition to the government resources to develop/meet data requirements as needed for this output |
|  | Project management team will update Project Board regularly for making necessary course corrections |

**Assumptions:**

1. UNDP catalytic funding and joint resource mobilisation with government
2. Presence of a national coordination structure and plan
3. **South-South and triangular cooperation:** Considering the ongoing 38 programmes on INFF in Africa and in cooperation with the ECA setting up a continental coalition of ministers of finance for horizontal exchanges, there will be vital lessons for south-south exchange. Lessons from within the region on the roll out of SWAPs is a key resource for successful implementation of project activities. Given the size of the country, export promotion is a fundamental choice for national planning and development. Current NDP has laid strong foundations for supporting regional integration. As part of the new development plan, building on the gains of the current NDP, SSTC can offer valuable opportunities for export promotion. Further, as NDP is multisectoral, experiences from with the region offer valuable insights into the design process which will be tapped into as required. This exchange is the primary SSTC engagement envisaged as part of the project output activities.
4. **Knowledge:** Output will result in increased capacities in national planning and development and lay a concrete blue print for SDG alignment. This output will result in development of knowledge products associated with national planning and SDGs which will be published. Data on SDGs envisaged to be published as part of the project activities will be a vital contribution to the national development agenda.
5. **Sustainability and Scaling up:** Project activities focus on building/strengthening national capacities and developing systemic responses to integrate SDGs into national plans and budgets. Scaling up national efforts to launch the SWAPs is a central instrument to deepen long-term development planning and programming. INFFs which are expected to be country owned financing frameworks lays foundations for sustainability and scaling up.

**PORTFOLIO MANAGEMENT**

1. Portfolio will be implemented in line with National Implementation Modality as outlined in legal context and governance arrangements. The pathway of change as identified in the Theory of Change of the Country Programme Document is driven by multi-dimensional development challenges posed by slowing economic growth, reducing private sector space in the economy, increasing climatic extremes and lack of adequate social protection mechanisms.

Following table shows the analysis for achieving maximum results with available resources and impact on SDGs:

|  |  |  |
| --- | --- | --- |
| **Projects in Portfolio** | **Contribution to achievement of Outcome** | **Impact on SDGs** |
| Harnessing nature-based solutions for climate and development | Primary focus of this project is on strengthening natural resources management and environmental sustainability through focussing on increasing the area of natural resources that are managed under sustainable use, conservation access and benefit-sharing regime. It thus contributes to the CPD ToC focus on strengthening natural resources and biodiversity. | SDG12, SDG13 are key drivers to sustainable development journey of the country as climatic extremes and trends in poverty and extreme poverty are inextricably interlinked owing to the high dependency of the population on agriculture as a source of livelihood |
| Accelerating diversification & private sector led growth for poverty reduction | Primary focus of this project is on increasing the private sector space while also expanding the product base of the economy with targeted interventions in new value chains identified by the Government, ICTs and Tourism.  Leveraging the role of MSMEs as engines of job creation will be the primary driver expected from the project activities for sustaining progress on SDGs. | SDG2 is a vital SDG given the import context and large segment of population engaged in the sector for livelihood. Providing integrated solutions of SDG 13 and 14 will enhance the resilience capacities of the population. |
| Disaster risk reduction and climate change adaptation | Primary focus of this project is to respond to the climatic extremes ahead of their impact and strengthen the resilience of the vulnerable communities and segments of population. | Within the context of the high reliance on agriculture as a source of livelihood, SDG 13, SDG 14 have a central role in building resilience to the climatic extremes. Predicting the events in hand as well as achieving the policy shift of considering disaster risks as a cross-sectoral issue will be vital for sustainable development journey |
| Access to affordable clean energy services | Primary focus of this project is on strengthening access to clean, affordable and sustainable energy services.  A key element is to focus on the regions with high poverty and alleviated drought risks so as to enable the communities mitigation through access to affordable energy resources | SDG 7 is an accelerator for SDG8 and SDG13. Vulnerable communities ability to mitigate the climatic extremes is greatly enhanced through access to secure energy resources and is thus central to leave no one behind agenda |
| Institutional strengthening for economic recovery | Primary focus of this project is to strengthen coordination capacities and further integrate SDGs into national planning and budgeting frameworks.  A key element of the project is the support to the design of a new national development plan which is central pillar of the development landscape of the country | NDP review is a key chance to align the national planning and budgeting to the SDGs. This opportunity will significantly impact the overall ability to continue to progress on SDGs while mitigating the impact of shocks like the COVID-19, climatic extremes |

1. *Cost efficiency and effectiveness* - Using the Theory of Change of the CPD, Portfolio deploys following options to achieve maximum results within available resources:
   1. Option 1: strengthening partnership interface involving several state institutions
   2. Option 2: SSTC as a key resource for implementation of project activities
   3. Option 3: greater engagement with donor community for mobilising resources

To improve cost effectiveness, the portfolio will be implemented in close conjunction with the respective national institutions’ implementation agenda and, wherever possible, in cost-sharing mode. As the portfolio is implemented within National Implementation Modality it will be fully aligned to national policy frameworks. Portfolio will also benefit from its alignment to the UNSDCF. Aligning to the existing UN programmes under the *Delivering as One* and *common chapter frameworks* will offer cost effective measures to leverage in implementing the activities with minimal costs. UNDP will undertake joint operations especially – monitoring and procurement with other partners, at the request of the national partners, so as to improve the cost effectiveness of portfolio. Audit arrangements for portfolio activities carried out by implementing partners and responsible parties using funds transferred by UNDP, audits are part of HACT assurance activities. They are governed by HACT guidelines and the Annual Audit Call Letter issued by the Office of Audit and Investigations.

# MULTI-PROJECT PORTFOLIO RESULTS FRAMEWORK

| **Intended Outcome as stated in the UNDAF/country programme:**  By 2025, women, men and youth, including marginalized persons, contribute to and benefit from economic progress, through greater access to decent employment, equitable social economic opportunities, sustainable enterprise opportunities as well as resilient, financially sustainable social protection systems | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Outcome indicators as stated in the UNDAF/country programmes, including baseline and targets:**   1. Ease of Doing Business Index (Baseline: Year 2019 – 121/190; Target: Year 2025 – 110/190) 2. Proportion of population living below the national poverty line by sex and age (Baseline: Year 2019 - 58.9% (Men: 67% and Women 59.4%); Target: Year 2025 - 50%) 3. Unemployment rate by sex (Baseline: Year 2017 - 23% (Men: 21.4% and Women: 24.8%); Target: Year 2025 – Less than 20%) | | | | | | | | | | | | | | | | | | |
| **Applicable Output(s) from the UNDP Strategic Plan:** Outcome 2 - Accelerate structural transformation for sustainable development | | | | | | | | | | | | | | | | | | |
| **Portfolio Title**  Sustainable and Inclusive Economic Growth  **Atlas Portfolio #** | **Project Titles** | **Project 1:** Harnessing nature-based solutions for climate and development | | | | | | | | | | **Atlas Project #** | | | | | | |
| **Project 2:** Accelerating diversification & private sector led growth for poverty reduction | | | | | | | | | | **Atlas Project #** | | | | | | |
| **Project 3:** Disaster risk reduction and climate change adaptation | | | | | | | | | | **Atlas Project #** | | | | | | |
| **Project 4:** Access to affordable clean energy services | | | | | | | | | | **Atlas Project #** | | | | | | |
| **Project 5:** Strengthening structural transformation for economic recovery and poverty eradication | | | | | | | | | | **Atlas Project #** | | | | | | |
| **EXPECTED OUTPUTS** | **OUTPUT INDICATORS** | | **DATA SOURCE** | **BASELINE** | | | TARGETS(by frequency of data collection) | | | | | | | | | | | DATA COLLECTION METHODS & RISKS |
| **Value** | **Year** | | **Y1** | | **Y2** | | **Y3** | | | **Y4** | **Y5** | FINAL | |
| **Project 1: Harnessing nature based solutions for climate and development - Implementing Partner: MTEA** | | | | | | | | | | | | | | | | | | |
| **CPD Output 1.1**  Strengthened policy and regulatory regimes at national level for the management of natural resources, environment, biodiversity and chemical use | Area of natural resources that are managed under sustainable use, conservation access and benefit-sharing regime  (IRRF: 1.4.1)   1. Area of land and marine habitat under protection (hectares) 2. Area of existing protected area under improved management (hectares) 3. Number of shared freshwater ecosystems under cooperative management 4. Area under sustainable forest management (hectares) 5. Biodiversity 6. Amount of chemicals reduced or disposed (metric tons) | | Eswatini National Trust Commission Report | 4.15 % of 17,364 km2 | 2020 | |  | |  | |  | | |  |  | 10% | | Annual assessment reports  **Risks:** COVID-19 induced delays in generation of data |
| **Project 2: Accelerating diversification & private sector led growth for poverty reduction - Implementing Partner: MCIT** | | | | | | | | | | | | | | | | | | |
| **CPD Output 1.2**  Capacities of small-scale food producers (in agriculture) strengthened to adopt inclusive value-chain approaches in agriculture and allied sectors to address marketing bottlenecks and losses in post-harvest | # of small holders’ cooperatives and micro-, small and medium-size enterprises (MSMEs) supported with innovative technology and financing solutions to enhance value addition and reduction of post-harvest losses | | Ministry Reports | Small-holder Cooperatives: 0  MSMEs: 0 | 2020 | |  | |  | |  | | |  |  | 10  10  (Women:5 Men:5) | | Ministry Reports  **Risks:** Timely adoption of legal reforms |
| **CPD Output 1.3**  Policies and incentive frameworks governing MSMEs (in tourism and ICT) strengthened to mitigate COVID-19 impact and generate sustainable enterprises for employment | # of new sustainable jobs created through tourism (including allied sectors) and ICT (disaggregated by male, female, persons with disabilities) | | Tourism and ICT Sector Performance Reports | Unemployment Rate: 23% | 2019-2020 | |  | |  | |  | | |  |  | Less than 20%[[31]](#footnote-31) | | Annual reporting  **Risks:** Tourism and ICT specific data generation |
| # of locally developed innovations/ solutions identified and tested towards enhancing employment of women, youth and persons with disabilities | | CSO Reports | 0 | 2020 | |  | |  | |  | | |  |  | 3 | | Project Progress Reports  **Risks:** Technical expertise availability |
| # of regulations adopted in relation to Ease of Doing Business in the country | | Annual Company Reports | 0 | 2020 | |  | |  | |  | | |  |  | 5 | | Enterprise survey reports of World Bank  **Risks:** COVID-19 induced delays in generation of data |
| # of policies & Strategies developed to address trade and diversification specific growth policies, alignment to AFCFTA | | Ministry Reports | 0 | 2020 | |  | |  | |  | | |  |  | 5 | | Annual Ministry reports  **Risks:** AfCFTA supportive institutional framework |
| **Project 3: Disaster risk reduction and climate change adaptation - Implementing Partner: DPMO** | | | | | | | | | | | | | | | | | | |
| **CPD Output 1.4**  Data and risk informed development policies, plans, systems and financing incorporate integrated and gender responsive solutions to reduce disaster risks, enable climate change adaptation and mitigation (IRRF 2.3.1) | Existence of data informed development and investment plans that incorporate integrated, gender responsive solutions to reduce disaster risks, enable climate change adaptation and mitigation | | NDMA Reports | No | | 2020 | |  | |  |  | |  | |  | | Yes | Annual reporting by NDMA  **Risks:** Timely generation of data |
| **Output 1.4.a**  Index based weather insurance for small scale producers pilot tested and integrated into national climate risks response | # of farmers (disaggregated by sex) accessing agriculture insurance (as part of pilot programme in selected regions) | | Ministry Reports | No | | 2020 | |  | |  |  | |  | |  | | Yes | Ministry Reports  **Risks:** Insurance specific data gathering and regulatory framework |
| **Output 1.4.b**  Strengthen climate risk and early warning data production and dissemination across sectors of government and local governments | # of people covered by early warning information through local governments or through national dissemination mechanisms (disaggregated by sex) | | Ministry Reports | baseline | | 2020 | |  | |  |  | |  | |  | | target | Annual Reports  **Risks:** |

| **Project 4: Access to affordable clean energy services - Implementing Partner: MNRE** | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CPD Output 1.5**  Solutions adopted to achieve universal access to clean, affordable and sustainable energy | # of renewable energy technologies and energy efficient solutions developed and applied to accelerate uptake at the local level (disaggregated by category eg: mini-grids, solar PVs) with 50% beneficiaries being women and 10 % for persons with disabilities | MNRE | 0 | 2020 |  |  |  |  |  | 10 | Ministry Reports  **Risks:** Hi-tech data requirements |
| **Project 5: Strengthening structural transformation for economic recovery and poverty eradication** **- Implementing Partner: MEPD** | | | | | | | | | | | |
| **CPD Output 2.1**  Capacities developed across whole of government and Parliament to integrate SDGs and human rights including gender equality into national planning and budgets | # of gender-responsive national and sectoral development strategies/plans integrating SDGs | NDP  MEPD  Reports | NDP: 0  (partial alignment)  SDP: 0 | 2020 | NDP 1 | SDP 2 | SDP 1 | SDP  1 | SDP 1 | NDP 1  SDP 5 | Annual Reports of Ministries  **Risks:** Timely design of NDP |
| # of reports (including maps of extreme poverty hotspots) developed and published by central statistical agency and used by sectors for SDG based policy and planning | NDP and CSO Reports | 0 | 2020 |  | 2 | 2 | 1 | 1 | 6 | Annual NDP Repots  **Risks:** Complex data requirements |
| **CPD Output 2.2:**  National coordination capacities for economic recovery strengthened with special attention on COVID-19 economic impact | # of sectors with innovative financing solutions and capacity development plans for implementation of economic recovery master plan with integration of COVID-19 impact | Sector progress reports | 0 | 2020 |  |  |  |  |  | 5 | Sector progress Annual Reports  **Risks:** COVID-19 induced data gathering delays |
| # of dialogue and coordination platforms/ mechanisms established to address the socioeconomic impact of COVID-19 | NDMA & MEPD progress reports | 0 | 2020 |  |  |  |  |  | 1 | Annual Reports  **Risks:** Coordination platforms establishment |
| # of improved range of services provided through social protection systems to reach marginalised groups | DPMO Reports | No | 2020 |  |  |  |  |  | Yes | DPMO reports  **Risks:** Sectors involvement and data generation |

**Monitoring Plan**

In accordance with UNDP’s programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Monitoring Activity** | **Purpose** | **Frequency** | **Expected Action** | **Partners**  **(if joint)** | **Cost** |
| **Track results progress** | Output indicators as listed in the Results Framework will be used to track results progress. Annual and Quarterly work plans will be developed and progress reports from IP will be basis for tracking results progress | Annual and  Quarterly | AWP and QWP templates along with reporting progress requirements discussed with IP | Implementing Partner  Project Assurance – UNDP |  |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using Risk Log. This includes monitoring measures and plans that may have been required s per UNDPs Social and Environmental Standards. Audits will be conducted in accordance with UNDP’s audit policy to manage financial risk | Quarterly | Risks are identified by project management and actions are taken to manage risk. Risk log is actively maintained to keep track of identified risks and actions taken | Project Assurance - UNDP |  |
| **Learn** | Knowledge, good practices and lessons will be identified and documented as part of the project board discussions. Lessons shared within the Programme Reviews - CPD and CF will be incorporated to inform project management decisions | Annual | Relevant lessons identified by project team to inform management decisions | Implementing Partner  Portfolio Assurance – UNDP |  |
| **Annual Project Quality Assurance** | Quality of projects will be assessed against UNDP’s quality standards to identify projects strengths and weaknesses and to inform management decisions | Annual | Areas of strength and weakness will be reviewed by portfolio management and used to inform decisions to improve project performance |  |  |
| **Review and Make Course Corrections** | Internal review of data and progress evidence along with development context and policy priorities to inform decision making associated with project | Annual | Progress reports, risks, lessons and quality along with changes in development context and policy priorities to be discussed and make decisions as a Portfolio Board for necessary course corrections | Implementing Partner  Portfolio Assurance – UNDP |  |
| **Project Report** | A progress report will be presented to the Portfolio Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, updated risk log with mitigation measures and any evaluation reports prepared over the period | Annual and End of Project | Any quality concerns or slower than expected progress to be discussed by Portfolio Board and management actions agreed to address the issues identified | Implementing Partner  Portfolio Assurance – UNDP |  |
| **Project Review (Project Board)** | The portfolio’s governance mechanism (i.e. portfolio board) will hold regular portfolio reviews to assess the performance of the portfolio and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the portfolio. In the final year, the Portfolio Board shall hold an end-of portfolio review to capture lessons learned and discuss opportunities for scaling up and to disseminate results and lessons learned with relevant audiences. | Annual and End of Project | Any quality concerns or slower than expected progress to be discussed by Portfolio Board and management actions agreed to address the issues identified | Implementing Partner  Portfolio Assurance - UNDP |  |
| **TOTAL** |  |  |  |  |  |

**Evaluation Plan**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Evaluation Title** | **Partners (if joint)** | **Related Strategic Plan Output** | **UNDAF/CPD Outcome** | **Planned Completion Date** | **Key Evaluation Stakeholders** | **Cost and Source of Funding USD** |
| End-term evaluation | UNCT | SP 1 | By 2025, women, men and youth, including marginalized persons, contribute to and benefit from economic progress, through greater access to decent employment, equitable social economic opportunities, sustainable enterprise opportunities as well as resilient, financially sustainable social protection systems | June 2025 | MEPD |  |

# MULTI-YEAR WORKPLAN BY PROJECT

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **PLANNED ACTIVITIES** | **Planned Budget by Year** | | | | | **RESPONSIBLE PARTY** | **PLANNED BUDGET** | | |
| **Y1** | **Y2** | **Y3** | **Y4** | **Y5** | **Funding Source** | **Amount (E)** | **Amount($)** |
| **CPD Output 1.1:**Strengthened policy and regulatory regimes at national level for the management of natural resources, environment, biodiversity and chemical use  *Gender Marker: 3* | | | | | | | | | | |
| **Project 1: Harnessing nature based solutions for climate and development – Implementing Partner: MTEA** | | | | | | | | | | |
|  | 1.1  Support systems for integrated land and natural resource management | 5 500 000,00 | 5 500 000,00 | 5 500 000,00 | 5 500 000,00 | 6 500 000,00 | MNRE |  | 28 500 000,00 | 1 925 675,68 |
| 1.2  Establish incentives for women and youth in sustainable land management, conservation and tourism: | 2 400 000,00 | 2 800 000,00 | 5 500 000,00 | 5 500 000,00 | 1 200 000,00 | Ministry of Tinkhundla | Donor/GoE | 17 400 000,00 | 1 175 675,68 |
| 1.3  Develop/review policy and legislative framework to create an enabling environment for natural resources management; | - | 1 950 000,00 | 1 350 000,00 | - | - | MTEA | UNDP CORE | 3 300 000,00 | 222 972,97 |
| 1.4  Promote sustainable management of chemicals and waste | 700 000,00 | 3 750 000,00 | 3 750 000,00 | 3 250 000,00 | 3 250 000,00 | EEA | Donor/GoE | 14 700 000,00 | 993 243,24 |
| 1.5 Monitoring (Technical working Group, Project Board, staff costs) | 430 000,00 | 797 500,00 | 872 500,00 | 712 500,00 | 547 500,00 | MTEA | Donor/GoE | 3 360 000,00 | 227 027,03 |
| **Sub-Total for Project 1** |  |  |  |  |  |  |  | **67 260 000,00** | **4 544 594,59** |
|  | | | | | | | | |  |
| **Project 2:** **Accelerating diversification & private sector led growth for poverty reduction: MCIT** | | | | | | | | | | |
|  |  | | | | | | | | | |
|  | 2.1 Support systems for integrated Supplier Development Programmes and Value chain strengthening | 800 000 | 6 500 000 | 6 500 000 | 6 500 000 | 4 000 000 | MCIT  MOA | UNDP  UNCDF | 24 300 000 | 1 600 000 |
| 2.2 Supporting economic growth through MSME impact | 350 000 | 5 000 000 | 5 000 000 | 800 000 | 1 420 000 |  | UNDP/ Donor | 12 570 000 | 838 000 |
| 2.3 Enhance/review policy and legislative framework to create an enabling environment diversification and private sector( MSME) Development and growth | 350 000 | 750 000 | 250 000 | 300 000 | 300 000 | MCIT  MEPD  MOF | UNDP/ Donor | 1 950 000 | 130 000 |
| 2.4 Review specific market and export promotion strategies and alignment to AfCFTA and regional trade instruments and import requirements of SADC countries. | 815 000 | 1 200 000 | 850 000 | 3 000 000 | 1 500 000 | MCIT | UNDP/ Donor | 7 365 000 | 490 000 |
| 2.5 Deliver catalytic investment for youth employment and Empowerment in key Sectors (Tourism, ICT…) | 1 000 000 | 10 000 000 | 8 000 000 | 7 000 000 | 7  000 000 | MCIT  MYA | UNDP/ Donor | 33 000 000 | 2 200 000 |
|  | - | 1 000 000 | 8 000 000 | 500 000 | 1 000 000 | MCIT | UNDP/ Donor | 10 500 000 | 700 000 |
| **Sub-Total for Project 2** |  |  |  |  |  |  |  | **89 685 000** | **5 960 000** |
|  | | | | | | | | |  |
| **Project 3: Disaster risk reduction and climate change adaptation - Implementing Partner: DPMO** | | | | | | | | | | |
|  | 3.1  Strengthen integrated disaster risk reduction and climate change governance. | 4 888 000,00 | 150 000,00 | - | - | - | NDMA | UNDP CORE | 5 038 000,00 | 340 405,41 |
| 3.2  Expand, automate and integrate hydro meteorological infrastructure in support of climate action and DRM. This will include; | 6 087 000,00 | 6 087 000,00 | 6 087 000,00 | 6 087 000,00 | 6 087 000,00 | MTEA-METS | Donor/GoE | 30 435 000,00 | 2 056 418,92 |
| 3.3  Enhance access to climate and early warning information products and services | 2 005 000,00 | 2 455 000,00 | 2 455 000,00 | 2 455 000,00 | 2 455 000,00 | MTEA/MNRE | Donor/GoE | 11 825 000,00 | 798 986,49 |
| 3.4  Scale up climate smart investments at community level | 450 000,00 | 5 250 000,00 | 3 450 000,00 | 1 800 000,00 | 1 800 000,00 | MoA, MTEA, MNRE | Donor/GoE | 12 750 000,00 | 861 486,49 |
| 3.5 Weather index based insurance for small scale producers pilot tested and integrated into national climate risks response | - | 2 700 000,00 | 400 000,00 | 400 000,00 | 400 000,00 | MEPD | Donor/GoE | 3 900 000,00 | 263 513,51 |
| 3.6 Monitoring (Technical working Group, Project Board, staff costs) | 671 500,00 | 697 100,00 | 599 600,00 | 517 100,00 | 517 100,00 | NDMA/DPMO | Donor/GoE | 3 002 400,00 | 202 864,86 |
| Project Total | 14 101 500,00 | 17 339 100,00 | 12 991 600,00 | 11 259 100,00 | 11 259 100,00 |  |  | **66 950 400,00** | **4 523 675,68** |
| **Sub-Total for project 3** | | | | | | | | |  |
| **Project 4: Access to affordable clean energy services - Implementing Partner: MNRE** | | | | | | | | | | |
| **CPD Output 1.5:** Solutions adopted to achieve universal access to clean, affordable and sustainable energy - *Gender Marker: 1* | | | | | | | | | | |
|  | 4.1   Improve enabling environment and institutional strengthening for sustainable energy. | 580 000,00 | 2 387 289,00 | 908 289,00 | 908 289,00 | 907 289,00 | MNRE | UNDP CORE | 5 691 156,00 | 384 537,57 |
| 4.2 Capacity building and institutional strengthening for decentralized renewable energy | 680 000,00 | 260 000,00 | 260 000,00 | 260 000,00 | 260 000,00 | MNRE | Donor/GoE | 1 720 000,00 | 116 216,22 |
| 4.3 Support deployment of priority renewable energy solutions for on-and off-grid small/medium applications. | 480 000,00 | 10 709 000,00 | 10 459 000,00 | 10 459 000,00 | 10 280 000,00 | ESERA | Donor/GoE | 42 387 000,00 | 2 863 986,49 |
| 4.4 Promote adoption of energy efficiency technologies and practices | 420 000,00 | 3 140 000,00 | 2 720 000,00 | 2 230 000,00 | 2 230 000,00 | MNRE | Donor/GoE | 10 740 000,00 | 725 675,68 |
| 4.5 Monitoring (Technical working Group, Project Board, staff costs) | 108 000,00 | 824 814,45 | 717 364,45 | 692 864,45 | 683 864,45 | MNRE | Donor/GoE | 3 026 907,80 | 204 520,80 |
| Project Total | 2 268 000,00 | 17 321 103,45 | 15 064 653,45 | 14 550 153,45 | 14 361 153,45 |  |  | **63 565 063,80** | **4 294 936,74** |
|  |  |  |  |  |  |  |  |  |  |
| **Sub-Total for project 4** | | | | | | | | |  |
| **Project 5:** **Strengthening structural transformation for economic recovery and poverty eradication** **- Implementing Partner: MEPD** | | | | | | | | | | |
| **CPD Output 2.1 :** Capacities developed across whole of government and Parliament to integrate SDGs and human rights including gender equality into national planning and budgets  *Gender Marker:3* | | | | | | | | | | |
|  | 5.1 Improve enabling environment and institutional strengthening for Economic Recovery . | 5 000 000 | 8 000 000 | 5 000 000 | 5 000 000 | 5 000 000 | MEPD | UNDP  MEPD | 42 000 000 | 1 860 000 |
| 5.2 Improve integrated frameworks for SDG integration and Financing | 250 000 | 400 000 | 400 000 | 400 000 | 400 000 | MEPD | UNDP | 1 450 000 | 96 666 |
| 5.3 Increased institutional capacities to collect, manage and analyse data to improve planning, monitoring and decision making towards sustainable development | 500 000 | 3 000 000 | 2 000 000 | 1 000 000 | 1 000 000 | MEPD | UNDP  MEPD | 7 500 000 | 500 000 |
| 5.4 Improved capacities for Development Coordination and knowledge management | 250 000 | 100 000 | 100 000 | 100 000 | 100 000 | MEPD | UNDP | 550 000 | 36 000 |
| 5.5  Promote adoption of Inclusive Social Protection coordination systems | 600 000 | 2 000 000 | 2 000 000 | 1 400 000 | 500 000 | DPMO  MLSS | UNDP | 6 500 000 | 433 333 |
| 3.5 Monitoring (Technical working Group, Project Board, staff costs) | 260 000 | 260 000 | 260 000 | 260 000 | 260 000 |  | UNDP/ Donor | 1 300 000 | 86 666 |
| Project SubTotal |  |  |  |  |  |  |  | **45 800 000** | **3 046 666** |
|  |  |  |  |  |  |  |  |  |  |
| **Portfolio management and delivery** | | | | | | | | | |
| 4.1 Spot checks and annual audit | 100 000,00 | 100 000,00 | 100 000,00 | 100 000,00 | 100 000,00 | UNDP | Donor/GoE | 500 000,00 | 33 783,78 |
| 4.2 Evaluation | 100 000,00 | 100 000,00 | 100 000,00 | 100 000,00 | 100 000,00 | UNDP | Donor/GoE | 500 000,00 | 33 783,78 |
| 4.3 Project Coordination Unit | 1 161 975,00 | 1 745 570,72 | 1 601 573,22 | 1 345 723,22 | 1 172 023,22 | UNDP | Donor/GoE | 7 026 865,39 | 474 788,20 |
| 4.4 Direct Project Management Cost | 697 185,00 | 1 047 342,43 | 960 943,93 | 807 433,93 | 703 213,93 | UNDP | Donor/GoE | 4 216 119,23 | 284 872,92 |
| 4.5 UNDP General Management Support | 2 023 892,80 | 3 032 346,21 | 2 783 518,53 | 2 341 409,73 | 2 041 256,13 | UNDP | Donor/GoE | 12 222 423,39 | 825 839,42 |
| Total Portfolio Management | **4 083 052,80** | **6 025 259,36** | **5 546 035,68** | **4 694 566,88** | **4 116 493,28** | **0** | **0** | **24 465 408,02** | **1 653 068,11** |
| TOTAL | |  |  |  |  |  |  |  | **358 725 871,00** | **24 022 940,00** |
|  |  |  |  |  |  |  |  |  |  |  |

**GOVERNANCE AND MANAGEMENT ARRANGEMENTS**

Portfolio Organization Structure

Portfolio Project Board (Governance Mechanism)

SENIOR BENEFICIARY

EXECUTIVE

SENIOR SUPPLIER

UNDP

Donor Agencies

PORTFOLIO MANAGER

PORTFOLIO ASSURANCE

UNDP

**Project Team 1**

Implementing Partner

MTEA

Responsible Parties

**Project Team 2**

Implementing rtner

MCIT

Responsible Parties

MOA

MOF

MICT

MTEA

MYC

**Project Team 3**

Implementing Partner

DPMO

Responsible Parties

**Project Team 4**

Implementing Partner

MNRE

Responsible Parties

**Project Team 5**

Implementing Partner

MEPD

Responsible Parties

MOF

MOLSS

DPMO

PMO

# Legal Context

**Option a. Where the country has signed the** [**Standard Basic Assistance Agreement (SBAA)**](http://intra.undp.org/bdp/archive-programming-manual/docs/reference-centre/chapter6/sbaa.pdf)

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date).   All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by [name of entity] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

# Risk Management

*[NOTE: Please choose the option that corresponds to the implementation modality of the projects in the portfolio. Delete all other options.]*

**Option a. Government Entity (NIM)**

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
2. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
3. assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
4. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
5. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>.
6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner’s (and its consultants’, responsible parties’, subcontractors’ and sub-recipients’) premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP’s Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

1. *Choose one of the three following options:*

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

1. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
2. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
3. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

**Special Clauses***.* In case of government cost-sharing/financing through the project, the following clauses should be included:

1. The schedule of payments and UNDP bank account details.
2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
5. All financial accounts and statements shall be expressed in United States dollars.
6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavors to obtain the additional funds required.
7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph [] above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.

In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:

1. [8 %] cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
2. Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.
3. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
4. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP.”

1. Ministry of Economic Planning and Development. 2018. National Development Planning Analysis [↑](#footnote-ref-1)
2. National Development Plan 2019/2020-2021/2022 [↑](#footnote-ref-2)
3. Op Cit 2 and CSO Eswatini Household income and Expenditure Survey 2016 [↑](#footnote-ref-3)
4. World Bank. 2020. The Kingdom of Eswatini Toward Equal Opportunity: Accelerating Inclusion and Poverty Reduction. Systematic Country Diagnostic; World Bank, Washington, DC. © World Bank. https://openknowledge.worldbank.org/handle/10986/34970 License: CC BY 3.0 IGO [↑](#footnote-ref-4)
5. Op Cit 2 [↑](#footnote-ref-5)
6. The Central Statistical Office.2016. Labour Force Survey [↑](#footnote-ref-6)
7. Department of Labour [↑](#footnote-ref-7)
8. Op-Cit 4 [↑](#footnote-ref-8)
9. Op Cit 4 [↑](#footnote-ref-9)
10. Op Cit 4 [↑](#footnote-ref-10)
11. OP Cit 4 [↑](#footnote-ref-11)
12. MoET. 2017 [↑](#footnote-ref-12)
13. Eswatini Environment Authority 2020. State of Environment Report [↑](#footnote-ref-13)
14. Land degradation neutrality report [↑](#footnote-ref-14)
15. Eswatini third National Communication (2016) [↑](#footnote-ref-15)
16. UNEP, “Energy Consumption and Production, Swaziland,” available at https://wedocs.unep.org/bitstream/handle/20.500.11822/20595/Energy\_profile\_Swaziland.pdf?sequence=1&isAllowed=y. Accessed on 28 November 2020. [↑](#footnote-ref-16)
17. A figure of 1.5 kg CO2 per kWh of wood-produced energy was used, per: <http://blueskymodel.org/kilowatt-hour>. [↑](#footnote-ref-17)
18. 2003 National Energy Policy [↑](#footnote-ref-18)
19. UNDRR 2020: Risk sensitive budget review country profile, Kingdom of Eswatini [↑](#footnote-ref-19)
20. 2020, A Rapid Socio-Economic Impact of COVID-19 in Eswatini [↑](#footnote-ref-20)
21. IMF.2019. Article IV Staff Report [↑](#footnote-ref-21)
22. Budget Speech 2021 [↑](#footnote-ref-22)
23. https://sustainabledevelopment.un.org/content/documents/24651Eswatini\_VNR\_Final\_Report.pdf [↑](#footnote-ref-23)
24. Identified new outputs will be subject to approval of the Portfolio Board [↑](#footnote-ref-24)
25. Building on the work of the previous Country Programme in support of forming such farmer groups, this project envisages using the existing established groups as opposed to formation of new groups. Such a process is expected to ensure sustainability. [↑](#footnote-ref-25)
26. Engagement with MSMEs will be guided by the UNDP Guidance note on engagement with private sector [↑](#footnote-ref-26)
27. CPD Theory of Change for Portfolio 1 identifies Sugar Cane and Maize as value chains. However, in the light of the launch of new 2020 National Agro-Value chain Strategy identifying government’s prioritization and also taking into account COVID-19 recovery strategy – and subject to approval of Project Board for the Project – it is proposed to align to prioritization offered in national strategy. [↑](#footnote-ref-27)
28. National Fire Impact Assessment Report 2019 [↑](#footnote-ref-28)
29. This activity will be planned in a phased manner subject to availability of all resources upfront [↑](#footnote-ref-29)
30. Activities will be further developed on the basis of the results of the CRNA assessment [↑](#footnote-ref-30)
31. While Unemployment rate shows the overall national trends, at the output level focus will be on number of new jobs created per year by the Tourism and ICT Sectors as part and parcel of the overall unemployment rate calculations. [↑](#footnote-ref-31)