



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
[Date]

Original: English

[session] 2005

[Date of session], [Place]

Item [] of the provisional agenda

Country cooperation frameworks and related matters

Country programme outline for Swaziland (2006-2010)

Contents

	<i>Paragraphs</i>	<i>Pages</i>
I. Situation analysis	3 – 6	2-3
II. Past cooperation and lessons learned	7 – 14	3-4
III. Proposed programme	15 –24	4-6
Poverty Reduction and HIV and AIDS Programme		
Governance and Gender Mainstreaming Programme		
IV. Programme management, monitoring and evaluation	25 – 29	6
Annex		
Results and resources framework		

Introduction

The UNDP Swaziland CO in the formulation of its CPD took into consideration, and was sensitive to, the national development context. The CO endeavored in its analysis of the country's needs, to be informed and guided by both the national development priorities, policies, strategies and the achievement of the Millennium Development Goals (MDGs). Particular attention was paid to the issues of poverty reduction, HIV and AIDS and weakened governance capacity for service delivery. The CPO is anchored on the Government's National Development Strategy and derives extensively from its Vision 2022 and other key sector strategies such as the PRSAP, the national response to HIV and AIDS; and the agriculture and food security policies. It also corresponds to the core priority areas of cooperation as outlined in the CCA and [UNDAF](#) for 2006-2010. The articulation of programme's strategic areas of support and the subsequent intended outcomes focusing on critical areas of the "triple threat": weakened governance capacity for service delivery; HIV and AIDS; and food security gives the CPO a good case for expanded partnership to support Swaziland.

2. The current CPO also builds on the second [Country Cooperation Framework for Swaziland](#) (2001-2005). It emphasizes the strategic responses of UNDP to national development challenges bearing in mind that UNDP cannot conduct its business as usual, and that it has to be strategic and visionary in programme interventions in the areas of poverty reduction and governance to support its initiatives on the HIV and AIDS crisis. The nexus of HIV and AIDS, food insecurity and weakened governance capacity for service delivery are intricately linked to our efforts in response to the development challenges facing the country. The CPO is essentially the product of extensive consultations and the active participation of key development partners including the Government, the UNCT, civil society, community-based organizations, the private sector and donor agencies.

I. Situation Analysis.

3. Swaziland is a low middle-income country with a per capita income of about US\$1350, over twice the Sub-Saharan African average. However, the proportion of the population living at or below the poverty line is 69% (of which 63% are females and 37% males) and these are subsisting on less than E128.6 (US\$ 24) per

capita per month in 2004. This shows the extreme poverty prevailing in the country. The poverty data shows significant feminization of poverty in Swaziland. A closer look at the socio-economic development trends reveals weak macroeconomic performance, sluggish growth, and poor social indicators. The budget deficit represents 4.8% of GDP resulting in a decline of the Government's net foreign exchange reserves. This undermines the Government's ability to finance future development programmes. If this trend continues, it will be difficult to maintain macroeconomic stability. Changes in the macroeconomic environment since 1990, have resulted in continuing wide income disparity. Swaziland has one of the world's highest Gini Coefficients with the top 10% of the population controlling 40% of wealth, while the bottom 40% of the population controls only 14% of the wealth. This shows the extreme income skewness in the country. The unemployment rate increased from 22% in 1997 to 31% in 2004, and among young people has often been twice as high. Government and private sector efforts to create new jobs have not been able to keep up with the loss of jobs arising from erosion in Swaziland's comparative advantages as an investment destination, and recent changes in global trading rules threaten a further loss of jobs. Swaziland is a member of SADC, the SACU and COMESA and actively participates in these sub-regional organizations for both political and economic integration in the Southern Africa sub-region. A high proportion of Swaziland's net annual revenues are derived from its membership of SACU. Since Swaziland is entirely surrounded by South Africa and its currency, the Lilangeni, is pegged at parity with the South African Rand, fiscal and monetary policies are determined by the Reserve Bank of South Africa. This increases Swaziland's vulnerability to external economic shocks. The main thrust of South-South Cooperation in Swaziland is a focus on COMESA with little or no planning as a sugar producer to the changes in the Sugar Agreement of the WTO.

4. Provisional estimates for GDP growth in the 2005 budget indicate that the economy slowed to 2.1% in 2004 from 2.6% recorded in 2003. Future prospects indicate a further slowdown in economic activity with growth expected to average 1.75% for 2005 – 2006. The inflation rate dropped from 4.1% in January 2004 to 3.2% in January 2005. Factors that contributed to the favourable inflation rate were the deceleration in

South Africa's inflation, persistent appreciation of the Lilangeni/Rand against major currencies which countered the effects of the increase in international oil prices, and the moderation in prices of consumer goods, particularly food prices. Good economic and political governance in the face of the country's current challenges are an imperative if the situation is to be turned around.

5. In addition to the economic and political challenges, there is the severe challenge of HIV and AIDS in Swaziland. HIV and AIDS prevalence measured among pregnant women attending anti-natal clinics in the 15-19 year old age group declined from 32.5% in 2002 to 29.3% in 2004. This shows that behaviour change in that age group is beginning to pay off. However, in the age group 25-29 years, the prevalence rate is 56% in 2004 while the average national prevalence rate among pregnant women attending ante-natal clinics rose from 36.6% in 2002 to 42.6% in 2004. This is one of the highest prevalence rates in the world resulting in a decrease in life expectancy from 57 to 51 years. The statistics indicate a feminization of HIV and AIDS. Swaziland is only at the beginning of a rising impact curve of the AIDS epidemic, with impact on the vulnerable groups intensifying over the coming years. The immense scale of AIDS related illness and deaths is weakening governance capacities for service delivery with serious impact on food security, economic growth, and human development. AIDS undermines the capacities of individuals, families, communities and the state to fulfill their roles and responsibilities in society. If current trends are not reversed, the longer – term survival of Swaziland as a country will be seriously threatened.

6. The highlights of the second CCF (2001-2005) programme period were the making of a new constitution, the escalating HIV and AIDS prevalence rates, and the judicial crisis which began in November 2002 and ended in November 2004. This crisis was precipitated by the announcement of the former Prime Minister that his Government will not abide by the rulings of the Court of Appeals. This led to the Judges of the Court of Appeals resigning en-masse. The judiciary is said to be operating independently. Also, in Swaziland, organized political parties have been banned by Decree in 1973 and this ban is still in effect. Currently, Parliamentary Elections are held every five years but candidates contest these as

individuals with the process being free and fair according to international election observers/monitors. UNDP support in the making of a new constitution to be finalised in 2005 and the Codification of Swazi Law and Custom are intended to lay the foundation for the harmonization of the two systems of governance: the parliamentary system based on Roman-Dutch Law and the traditional system based on Swazi Law and Custom. The objective is to enable a more effective governance system in the country. Such governance operational issues as transparency, accountability, fiscal discipline, and probity remain weak and needs strengthening. The challenges for the future of governance in Swaziland include political reforms for multiparty politics; continued respect for the rule of law; the restructuring of the judiciary in preparation for the implementation of the new constitution; capacity replenishment for service delivery due to HIV/AIDS-related deaths; and longer-term macroeconomic stability in the face of globalisation.

II. Past Cooperation and Lessons Learned.

7. The second CCF focused on four programme areas: Poverty, HIV and AIDS; Environment; Governance and Gender Equality with ICT as a cross cutting theme. These programmes were refocused in 2003 in response to the "triple threat" of HIV and AIDS; food insecurity and weakened governance for service delivery due to capacity depletion as a result of the HIV and AIDS epidemic

8. The UN Reform Agenda has improved coordination of the operational activities of the UN System in Swaziland since 2001. The establishment of thematic groups, the preparation of the CCA and the formulation of the UNDAF have also helped to bring agencies, the Government, civil society, community-based organizations and the key development partners together on a common agenda in response to the challenges facing the country.

9. Support to capacity building and institution strengthening of Parliament on Parliamentary Procedure and Standing Orders have empowered Parliament to effectively perform its oversight roles and responsibilities over the Government's operations. Also, UNDP training on international human rights instruments and gender mainstreaming for Members of Parliament resulted in the decision to establish a Parliamentary Standing Committee on Human Rights

and the Parliamentary Women's Caucus respectively. The challenge is for Parliament to continue performing its oversight roles especially with regard to the budget preparation process for optimal resource allocation decisions.

10. Leadership training activities have empowered various participants from the Government and civil society with information, knowledge, new skills and exposure to the critical roles and responsibilities of leadership in advancing the political, economic and social development agenda of the country. A large section of civil society, including chiefs, traditional leaders and customary authorities, churches, national women's groups, was trained in civic education, with a focus on training of trainers for dissemination of information at the community level. This has enabled these groups to participate more actively in the constitution review process as well as the fight against HIV and AIDS. In HIV and AIDS, UNDP's Leadership For Results has trained several hundred community leaders, women, youths and people living with HIV and AIDS in prevention and mitigation. In poverty reduction, participatory poverty assessments were conducted as well as capacity building for data collection, analysis and dissemination. The first MDG country report was prepared and support given to the preparation of the PRSAP, agriculture and food security policies. The current CP will go downstream in the most affected areas for the highest impact. In this regard, the UNCT, together with the Regional Directors Team have made significant progress in outlining the contours of a joint programme comprehensively addressing HIV and AIDS: mitigation and prevention; food security; WHO's 3x5 for increased access to ARVs, OVCs and SWACI/SACI.

11. In partnership with the Attorney General's Chambers, support will continue to be provided in law reform for the empowerment of the Swazi woman who hitherto was considered a legal minor in society. The objective of these law reforms is to strengthen the realization of women's rights within the broader context of human rights for all and enabling legislation to protect the rights of PLWA and other vulnerable groups.

12. UNDP and the UNCT played important advocacy roles that has resulted in a number of changes of focus

in the Government's development agenda for addressing issues of HIV and AIDS, good governance; poverty reduction; and food insecurity. For example, membership in the Country Coordinating Mechanism of the National Emergency Response Council on HIV and AIDS for coordinating Global Fund resources; support to local government decentralisation for effective service delivery at the community level; the Ministry of Health in health capacity assessment and the new directions on orphans and vulnerable children; SACI/SWACI and support to the formulation of a comprehensive agricultural policy and a food security policy. UNDP support, while only catalytic, has made major contributions in enhanced policy advisory services to the Government at the highest levels.

13. Notwithstanding these accomplishments, certain challenges constrained the achievement of maximum impact: the complexity of the development environment with multiple structures for decision making constrained programme implementation and delivery; and the participatory approach while excellent for stakeholder and partner buy-in was time consuming and requires great patience for achievement of desired results.

14. Several lessons can be learned from the implementation of the second CCF:

- (a) the participatory development approach enhanced the national ownership and leadership of the programme. Government ownership, leadership and guidance on programme formulation, implementation, monitoring and evaluation are indispensable to the success of all initiatives and activities;
- (b) DEX helped to increase efficiency in programme delivery and management and this indicates that the new country programme may require more capacity building for NEX;
- (c) the CCF programmes also demonstrated that UNDP is an effective development partner at the upstream level while still having a positive impact on downstream activities. As a result, Government's cost sharing contribution is on a one-to-one basis as well as its annual payment of 100% GLOC.

III. Proposed Programme

15. Swaziland is a country where the perception of UN relevance and the respect for UN work remain high.

The UNCT, in coming together to formulate the CCA/UNDAF (2006 – 2010) with Government and other partners, sees opportunities and need for the UN to fulfill key roles in supporting the Swazi Nation to mount an effective response to the complex crisis it finds itself in. The UN does not have adequate resources to make significant inputs in all areas, and hence, the process of the UNDAF has sought to focus UN inputs around high impact national development priority and strategy areas. The strategies are also selected in ways to maximize opportunities to leverage both national and donor resources as well as the comparative advantages of the UNDP and the UN Agencies. At the center of the proposed programme is the “triple threat” of HIV/AIDS, food insecurity and weakened governance capacity for service delivery.

Poverty Reduction and HIV/AIDS Programme

16. Amidst declining economic prospects and increasing poverty levels, it is imperative that development support have poverty reduction and HIV and AIDS as central themes as these are the major challenges facing the country over the next two decades. Central to these challenges is the problem of food insecurity throughout the country with increasing dependence on food aid. Also, there is a need for the development of an enabling macroeconomic policy framework to finance HIV/AIDS responses and management of large resources including the Global Fund resources.

17. The UNDAF country programme outcomes for poverty seek to contribute to the realization of national poverty reduction goals by supporting Government and civil society to ensure that:

- (a) national and local capacity for monitoring poverty and MDG reporting are strengthened;
- (b) advocacy and awareness campaigns on the MDGs are undertaken at the community level;
- (c) participatory poverty assessments (poverty profiling) are conducted to inform decentralized planning and effective service delivery; public expenditure tracking, social impact assessments and participatory service delivery monitoring, evaluation and reporting.

18. The focus of the poverty reduction activities will be on the most marginalized and vulnerable groups, thus contributing to the national priority goal of seeing the proportion of people living in extreme poverty

reduced. Social safety nets programmes, vocational skills training and income generating activities targeting youths and women will be the main thrust of the poverty reduction strategy while SACI/SWACI will be the entry vehicle for all poverty reduction initiatives.

19. The UNDAF country programme outcomes for HIV and AIDS are intended to reverse the trends in the increase in the prevalence rate and to strengthen capacity for improved service delivery through:

- (a) reduced risk behavior in the population, especially among vulnerable groups, through behaviour/attitude change initiatives;
- (b) increased access to services and supplies by the most vulnerable people through SACI/SWACI; and
- (c) improvement in systems and structures at all levels (e.g. planning, coordination, partnerships, monitoring & evaluation, resource utilization), that will provide increased capacity to manage the national response to HIV and AIDS.

20. The implementation of this programme will place particular emphasis on addressing gender disparities bearing in mind that these disparities in Swaziland have exacerbated women’s vulnerability, leading to the feminization of both poverty and HIV and AIDS. The human rights of women as service providers and caretakers in coping with HIV/AIDS will be protected through legislation as part of our law reform programme.

21. AIDS-related deaths among the most productive segments of the population is undermining the capacities of the family, community and Government to respond to, and control the challenges they face from a range of inter-related crises. The strategies to support these responses include effective planning of capacity building and institution strengthening for co-ordination and implementation at both centralized and decentralized levels for effective service delivery.

Governance and Gender Mainstreaming Programme.

22. The UNDAF outcome for governance is to enhance and strengthen the capacity of key national and local level institutions for improved governance and service delivery. The improvement of governance

includes operational issues relating to accountability, transparency, fiscal discipline and equity concerns.

23. The Country Programme outcomes for governance seek to support:

- (a) decentralization processes supported for improved service delivery;
- (b) law reform initiatives supported for improved rights of all citizens;
- (c) international conventions ratified and domesticated into national laws;
- (d) accountability, transparency, probity and participatory decision making processes enhanced;
- (e) enhance economic governance for revenue allocation; fiscal discipline and equity; and
- (f) equal access for all citizens to justice and respect, protection and fulfillment of rights strengthened (eg. legal, economic, political).

24. Human rights, ICT for delivery of outcomes in all strategic areas of support, environment and natural resource management will be integrated into the programmes as cross cutting themes with measurable indicators. Initiatives under the governance outcome to address legal inequalities affecting women, and to support domestication in national law of international human rights commitments, will enhance protection to vulnerable groups thereby reducing HIV risk.

IV. Programme Management, Monitoring and Evaluation.

25. The Programme approach will remain the preferred mode of programme management with NEX the preferred implementation modality. In this regard, appropriate capacity building and institution strengthening will be undertaken in order to achieve full NEX before the end of the current programming cycle (2006 – 2010). Increased implementation of programme activities by NGOs and community-based organizations will be encouraged, while the private sector will be engaged in strategic partnerships for programme funding and implementation. The UNCT has put in place a coordination mechanism on HIV and AIDS that promotes collaboration in joint programming, implementation, monitoring and evaluation. Harmonized reporting systems through the UNDAF and CPO Results Matrix will be encouraged. UNDP and the UNCT will continue to ensure that capacity of UN staff on gender mainstreaming,

analysis and reporting is enhanced through support from the Gender Thematic Trust Funds.

26. The [UNDAF Results Matrix](#) and the [CO ROAR](#) and other RMB tools will be used as monitoring, evaluation and reporting instruments to capture the changes brought about by the CPO. In this regard, two main committees will be proposed for monitoring and evaluation of the new programme cycle: (a) a senior level Steering Committee responsible for overall programme coordination and policy guidance; and (b) a Technical Committee responsible for the implementation, monitoring and evaluation of each programme. These committees will have the UN Agencies, Government, key stakeholders and civil society groups as members. The committees will meet periodically to give guidance as well as to discuss progress of each programme. In addition, a mid-term review of progress will be conducted.

27. An external evaluation of each programme will also be undertaken as decided by the Steering and Technical Committees, while Annual Reviews will be held at the beginning of the fourth quarter of the year. This review should coincide with the Government's budgeting and planning process. In addition, a mid-term review of progress will be conducted.

28. On resource mobilization, Government cost sharing and GLOC payments enjoyed in the past should continue into the current programming cycle. In view of limited core resources, UNDP will play an active role in supporting the Government to mobilize resources around the priority areas of cooperation through a donor's conference and sectoral consultations. A resource mobilization strategy will be developed to augment the CO cost recovery strategy.

29. Regarding the CO structure and staffing, no major changes are expected during the next CP. The CO will however continue to explore the possibility of Extra-Budgetary resources (cash or in-kind) to complement core positions with technical expertise in the priority areas of focus, process facilitation and organizational development.