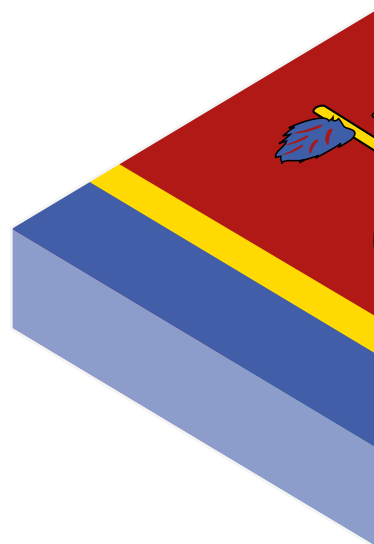




IDEV

Independent Development Evaluation
African Development Bank

From experience to knowledge...
From knowledge to action...
From action to impact



Eswatini: Evaluation of the Bank's Country Strategy and Program (2009-2018)

What did IDEV evaluate?

IDEV evaluated the Country Strategy and Program for the Kingdom of Eswatini (formerly Swaziland) over the period 2009 to 2018 (see Table 1). The Bank's portfolio comprised 16 interventions for a total of UA 179.4 million, of which five were approved during the 2009-2013 period and the remainder during the 2014-2018 period. The projects covered seven sectors, namely: (i) agriculture (ii) water supply and sanitation (iii) transport (roads) (iv) finance (v) power (energy) (vi) environment and (vii) multi-sector (Figure 1).

The objective of the evaluation was two-fold: (i) to assess the assistance of the Bank to the country through an analysis of development results from key interventions and the reasons underlying such results; and (ii) to learn from challenges and successes in order to provide lessons and recommendations to inform the design of the next Country Strategy Paper.

What did IDEV find?

The Bank's intervention in the seven sectors aligned to the country's policies, strategies, priorities, and beneficiary needs, particularly in agriculture (which underpins the livelihoods of the majority of the population including the poorest segments), water and sanitation (which is a foundation for health) and energy, which supports economic activities in a cross-cutting way.

Evaluation criteria

The evaluation employed a four-level rating scale to assess to what extent the Bank contributed to development results in Eswatini (see Table 2).

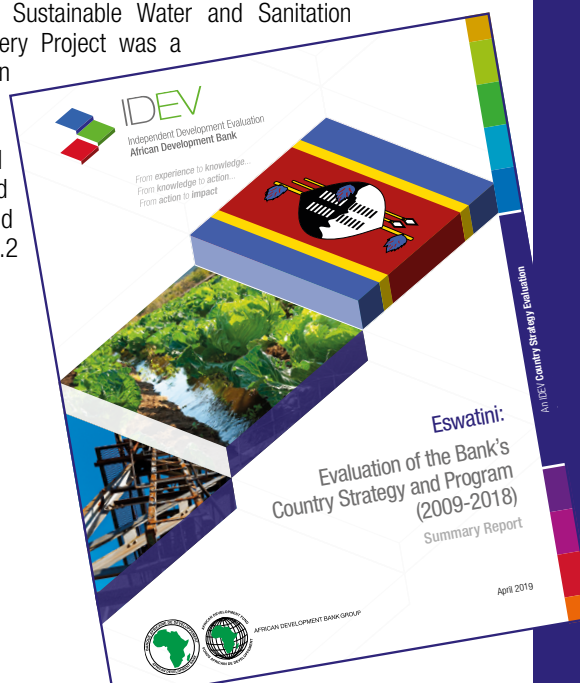
Sector assessment

i. Agriculture

The Lower Usuthu Smallholder Irrigation Project - Phase II (LUSIP II) was the main operation in this sector. It focuses on increasing agricultural production, improving production infrastructure, environmental and natural resources conservation, and capacity building of beneficiaries in various aspects of agricultural production, environmental and natural resources management, and entrepreneurship. LUSIP II is expected to contribute to an increase in irrigated areas, adding about 10% to Eswatini's irrigated production capacity and most likely an additional production of 150,000 tons of sugarcane, which in turn will produce 60,000 tons of sugar. Beyond infrastructure for agricultural production, diversification and marketing of products need to be improved. This could also be more effective in contributing to Eswatini's objective of producing more food locally.

ii. Water and sanitation

In the water and sanitation sector, three projects were supported by the Bank for a total amount of UA 56.7 million. The Ezulwini Sustainable Water and Sanitation Service Delivery Project was a core project in this sector. The project was approved in 2014 and amounted to UA 16.2 million.



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Table 1: Country Strategy Paper (CSP) Strategic Focus

Strategic Documents	Pillar I	Pillar II
Country Strategy Paper 2009-2013	Investing in Infrastructure to Increase Productivity and Competitiveness	Enhancing Health Delivery and Skills Development
The revised Country Strategy Paper (2009-2013) at Midterm Review (MTR) in 2011	Improving Public Financial Management	Enhancing Agriculture Development
Country Strategy Paper 2014-2018	Supporting Infrastructure Development for Sustainable and Inclusive Growth	Strengthening Governance and Institutional Capacity

It comprised three components, namely water, sanitation, and capacity building. The sanitation and capacity building components had been completed but the water component is still underway. Although the project is expected to achieve its main objectives there are challenges to address, such as the quality of sanitation facilities, incomplete work, and poor workmanship. In addition, the communities haven't yet taken full ownership of the operations and maintenance of facilities. Once all the project components are delivered, it is expected that socio-economic benefits will include increased access to water and sanitation for 5,000 households, job creation (directly or indirectly), improved health and hygiene.

iii. Transport

For a total approval equivalent to UA 55.3 million, the Bank supported the transport sector in two ways: two investment projects (Manzini-Mbadlane Highway Project-MR3 and Manzini Mbadlane Golf Interchange); and a Technical Assistance (TA) for a National Transport Master Plan (NTMP) study. The Bank's support is financing 13 km of the MR3 Highway and the progress made at the time of the evaluation mission included: an erected site camp, earth filled service roads, bridges and culverts completed or on the way to completion, and sub-layers of some stretches of new dual carriageway (about 20%) in place. The TA provided as part of the MR3 project has also been progressing well towards the achievement of expected sector reform. The Bank also supported the development of the NTMP, a plan that aims to guide policy-making, investment, regulation and institutional strengthening in the transport sector over the next 20 years.

iv. Finance

In the finance sector, the Bank provided a Line of Credit (LOC) to Swaziland Development Finance Corporation (FINCORP) in May 2017, amounting to UA 18.7 million. This

is a 10-year LOC for on-lending to Small and Medium-sized Enterprises (SMEs) and Micro, Small and Medium Enterprises (MSMEs) sub-borrowers in various sectors. FINCORP officials were critical of the need for a guarantee for the LOC based on their loan repayment records. After a delay of over a year, the parliament approved the required guarantees. Nevertheless, FINCORP also received useful capacity building support from the Bank. In a country where investment capital is in short supply, a LOC of this magnitude would necessarily make a difference in the SME sector.

v. Power (energy)

Eswatini imports more than 80% of its electricity while the other 20% is generated from small hydropower stations and from byproduct (bagasse) of sugarcane field co-generation plants in Eswatini, thus positioning the country as an electricity producer that can build a national sustainable power system by exploiting local renewable energy sources.

In the energy sector, the Bank portfolio comprised only of TA for UA 0.7 million that supports the preparation of future interventions in this sector through Middle Income Country grant. Because it delivered its expected outputs, the TA was rated satisfactory in terms of effectiveness. These efforts represent important contributions towards implementing energy sector development actions in the future and promoting private investment. In particular, the Ngwempisi prefeasibility study will be an important step towards a feasibility effort and could be a pattern for other support for future hydropower development. However, there are concerns about the quality of existing data on solar and wind resources.

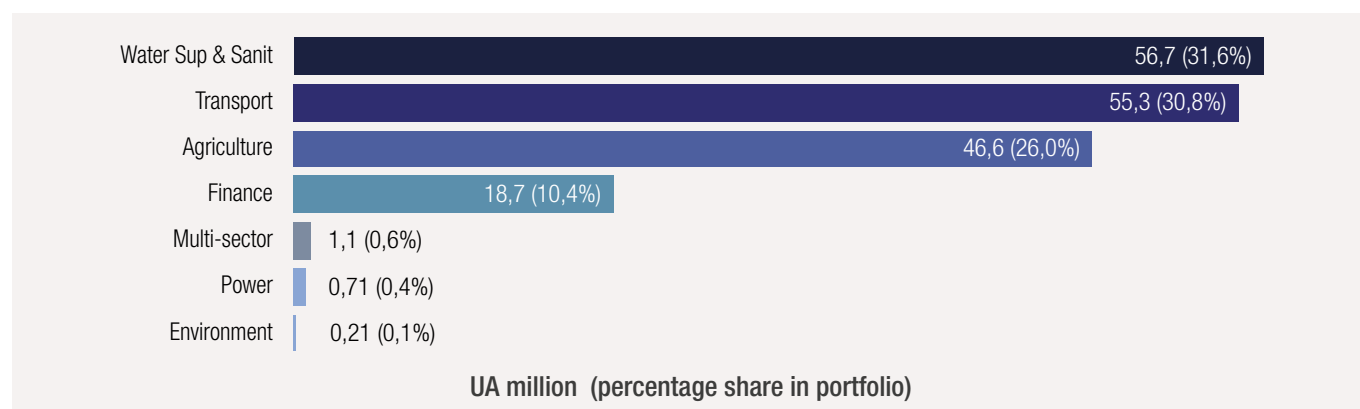
Figure 1: AfDB support by sector (2009-2018)

Table 2: Four-level rating scale assessment of Bank's contribution to development results

Evaluation criteria	Assessment of Bank's contribution to development results
Relevance	The Bank's interventions in Eswatini were judged satisfactory. They were relevant to the needs of target groups, and the development challenges and priorities of the country. The pillars of the various CSPs were coherent with those of the national strategies, and the Bank's portfolio in Eswatini was well aligned with the Bank's corporate priorities.
Effectiveness	The effectiveness of the first program cycle was rated unsatisfactory because the actual Bank portfolio in Eswatini during that first cycle (2009-2013) was characterized by Technical Assistance and analytical work, and no investment project was implemented. The second program cycle (2014-2018) was not rated since most of its interventions are still under implementation. In this program cycle, four larger investment projects including a Line of Credit were approved and, during the evaluation, most were at the early stage of implementation.
Efficiency	The efficiency of AfDB support to Eswatini was rated unsatisfactory. The program primarily suffered implementation delays. For instance, the TA to PFM has been extended by two years while the MR3 is still well behind the initial schedule. In addition, the LOC took over a year to be disbursed.
Sustainability	Sustainability was assessed as unsatisfactory due to several factors that negatively influenced the sustainability of benefits arising from the Bank's development interventions. First, the infrastructure projects tended not to cover policy and institutional aspects of development, which are often key to sustainability. Second, there is a particular need to improve infrastructure maintenance.

vi. Environment

All the Bank operations examined by the evaluation were found to comply with the Bank's Environmental and Social Assessment Procedures. Despite temporary environmental problems linked to construction such as noise, spoil, dust etc., the operations have no significant detrimental effects on environment. Some operations even have a potentially positive effect on the environment. For instance, in energy, the emphasis on renewable energy (particularly solar and wind) is positive in terms of green growth and climate mitigation. Similarly, the "Enhancing Readiness for Investment in Low Carbon and Climate Resilient Development in Swaziland" project is expected to have positive effects. The Bank's interventions in the water and sanitation sector can also be considered to have a positive effect on the environment, as they support better water management, improve hygiene, and limit bacterial pollution of water and the natural environment due to sewage. However, the evaluation raised concerns about the efficiency and sustainability of water resource use in the irrigation for farming.

vii. Governance (multisector)

The Bank provided support to three interventions in the multisector (governance) namely, TA to Public Finance Management (PFM) Reforms, an Economic Diversification Study, and Statistical Capacity Building through the Middle Income Country Technical Assistance Fund (MIC-TAF), for a total commitment of UA 1.1 million.

The TA to PFM Reforms was effective in enabling the application of the Medium-Term Expenditure Framework at the level of concerned line ministries, and the training provided was found to have enhanced the capacity of government officials. However, the effectiveness of support to PFM may be limited by certain factors such as the Expenditure Framework not being consolidated at the level of the Ministry of Finance, and the nature of government expenditure is also a cause for concern.

What did IDEV recommend for the next strategy?

- An enhanced selectivity and portfolio design would allow the Bank to contribute to more effective and sustainable results in Eswatini.

- Capacity building and institutional strengthening needs should be assessed before investments are undertaken. This will improve quality at entry.
- Strengthen the focus on managing for development results. More efforts should be made to monitor and evaluate outputs, outcomes and impacts, and assist project coordination through sustained dialogue with other stakeholders.
- Operation and maintenance systems should be examined carefully and improved for all infrastructure interventions, in order to safeguard their development benefits.
- The Bank should improve its policy dialogue and knowledge management in the country assistance framework, to enhance its influence on the reform agenda and its catalytic potential.

What was the methodological approach?

The evaluation constructed a Theory of Change based on Bank's interventions in Eswatini. It used a broad range of data collection tools including document reviews, semi-structured interviews, focus group discussions, and project field visits. The evaluation interviewed around 170 stakeholders and field visits were organized to assess the achievements of ongoing operations, which provided an opportunity to meet with project beneficiaries and to review implementation of programs on the ground.

Evaluation limitations

The key methodological limitation of the evaluation was that it could not quantitatively attribute country development results to the Bank's support. Certain factors hampered the evaluation to some extent, including: (i) limited implementation progress of most actions and no completed infrastructure projects (ii) difficulties in obtaining supporting documents and information and (iii) difficulties in identifying the persons responsible for some parts of the portfolio. To address these limitations, the evaluation attempted to illustrate the Bank's contribution stories, which were mostly based on qualitative evidence collected with appropriate triangulation applied.



About IDEV

Independent Development Evaluation (IDEV) at the African Development Bank carries out independent evaluations of Bank operations, policies and strategies, working across projects, sectors, themes, regions, and countries. By conducting independent evaluations and proactively sharing best practice, IDEV ensures that the Bank and its stakeholders learn from past experience and plan and deliver development results to the highest possible standards.

What did Management respond?

Management welcomed the IDEV report on the evaluation of the Bank's operations in Eswatini over the period 2009-2018 and its contribution to the Country's development. The evaluation provided a timely assessment on the relevance and congruence of the objectives set in the CSPs in supporting the country's developments efforts during the period. It also articulated invaluable lessons and findings from the performance of the two CSPs that will be useful in informing the design, implementation and management of the Bank's new CSP (2019-2023) for Eswatini. In general, Management agreed with the findings of this report and noted the progressive improvements and flexibility in implementing Bank programs in Eswatini, a Middle Income Country.

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