



Government of Swaziland

# NEPAD–CAADP NATIONAL MEDIUM–TERM INVESTMENT PROGRAMME (NMTIP)

**FINAL DRAFT**

Food and Agriculture Organization (FAO) of the United Nations and the  
Government of the Kingdom of Swaziland (TCP/SWA/2907)

30 July 2004

# Table of Contents

<b>FINAL DRAFT</b>	<b>I</b>
<b>CHAPTER 1 INTRODUCTION</b>	<b>1</b>
1.1 The Economy	1
1.2 The Agricultural and Rural Sector	2
1.3 The Strategic Framework	6
1.3.1 <i>Government Strategy</i>	6
1.3.2 <i>Major Co-operating Partners' Strategy</i>	8
1.3.3 <i>Pipeline Projects</i>	9
1.4 Conclusion	9
<b>CHAPTER 2 CONSTRAINTS AND OPPORTUNITIES</b>	<b>11</b>
<b>CHAPTER 3 INVESTMENT PROGRAMME OUTLINE</b>	<b>16</b>
3.1 Priority areas for Investment	16
3.2 Project Selection Criteria	17
3.3 Preliminary Identification of Projects for Development	18
<b>CHAPTER 4 FINANCING GAP</b>	<b>21</b>
<b>CHAPTER 5 MONITORING AND EVALUATION</b>	<b>23</b>
<b>CHAPTER 6 REFERENCES</b>	<b>24</b>

## Abbreviations

ACAT	African Cooperative Action Trust
AEZ	Agro-ecological Zone
AfDB	African Development Bank
AIDS	Acquired Immunodeficiency Syndrome
APS	Aid Policy Statement
ARD	Agricultural Research Division
BADEA	Arab Bank for Economic Development in Africa
BOP	Budget Outlook Paper
CAADP	Comprehensive Africa Agriculture Development Programme
CASP	Comprehensive Agricultural Sector Policy
CSP	Country Strategy Paper
DAE	Department of Agriculture & Extension (MOAC)
DFID	Department for International Development (United Kingdom)
DVLS	Department of Veterinary & Livestock Services (MOAC)
EIB	European Investment Bank
EIU	Economist Intelligence Unit
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GEF	Global Environment Facility
GOS	Government of Swaziland
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HRD	Human Resource Development
ICDF	International Cooperation and Development Fund
ICT	Information and Communications Technologies (World Bank)
IFAD	International Fund for Agricultural Development
IFI	International Finance Institutions
IMF	International Monetary Fund
JICA	Japan International Co-operation Agency
KDDP	Komati Downstream Development Project
LDS	Lutheran Development Services
LUSIP	Lower Usuthu Smallholder Irrigation Project
MEPD	Ministry of Economic Planning & Development
MHUD	Ministry of Housing & Urban Development
MNRE	Ministry of Natural Resources & Energy
MOAC	Ministry of Agriculture & Co-operatives
MPWT	Ministry of Public Works & Transport
MTEC	Ministry of Tourism, Environment & Communications
NAMBOARD	National Agricultural Marketing Board
NDP	National Development Plan
NEPAD	New Partnership for Africa's Development
NMTIP	National Medium Term Investment Programme
NRMC	Natural Resources Management Committee
PRS	Poverty Reduction Strategy
ROC	Republic of China (Taiwan)
SFDF	Swaziland Farmers Development Foundation
SKPE	Swaziland Komati Project Enterprise

SME	Small & Medium Enterprises
SNL	Swazi Nation Land
SSA	Swaziland Sugar Association
TDL	Title Deed Land
UDP	Urban Development Project
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USD	United States Dollar
WHO	World Health Organization

# CHAPTER 1 INTRODUCTION

## 1.1 The Economy

The Kingdom of Swaziland is a landlocked country with a population of 1.01 million as per 2002 of whom 73 percent live in rural areas. Its gross domestic product (GDP) per capita in 2002 was USD 1,180 and it is ranked 133 out of the 175 countries covered by the United Nations Development Programme's (UNDP) Human Development Index (HDI). The World Bank classes Swaziland as a Lower Middle Income Less Indebted country.

After independence in 1968, Swaziland has adopted a prudent macroeconomic management, based on free-market principles with little government intervention. The growth in national income since independence has led to a sustained improved average real income per head (EIU, 2003). The Swazi economy performed well in the 1980s, averaging an annual growth of almost six percent growth per year between 1985 and 1990. The strong economic growth was due to the creation of favourable conditions for foreign direct investment (FDI), political stability, tax incentives, liberal regulations on profit remittance, and the relocation of enterprises to Swaziland from South Africa (World Bank, 2004). The growth rates in the 1990s and 2000s are lower than in the 1980s. The average annual growth rate of GDP for 1992-2003 was 3.2 percent, while the growth rates for 2001 and 2002 were 1.8 percent and 1.6 percent respectively. This slump is principally accounted for by declines in FDI due to South Africa's emergence from apartheid.

The contribution of manufacturing sector to GDP increased from 16 percent in 1985 to 36 percent in 1995, and stabilised at 38 percent in 2001 and 2002. Agriculture remains important, both directly and indirectly through agro-processing industries. Export earnings in 2002 amounted to 800 million USD, of which sugar and wood pulp accounted for 34 and 9 percent respectively. Swaziland has strong commercial and financial links with its neighbour South Africa, which is the destination for 70 percent of Swaziland's exports and the origin or transit port of 90 percent of the imports. The rate of inflation in Swaziland tends to follow trends in South Africa due to its close monetary and trade relationships. Inflation fluctuated between 6-8 percent from 1996 to 2002, has risen to over 10 percent in 2003 and dropped again to under 5 percent in 2004.

Table 1: Macro-economic Indicators

Annual percentage change unless otherwise stated	1998	1999	2000	2001	2002
GDP growth, at constant prices (%)	3.3	3.6	1.9	1.7	3.6
Consumer Price Index (CPI) inflation, period average (%)	7.5	5.9	9.9	75	11.9
Unemployment rate (%)	30.0	31.4	31.3	31.3	30.0
Prime lending rate, end of period (%)	19.5	17.4	14.0	13.3	15.3
Central government balance, including grants (percentage of GDP)	0.5	-1.5	-1.4	-3.1	-4.6
GDP in current prices (millions of Emalangeni)	7,449	8,41	9,629	10,845	12,437
Overall balance of payments (millions of USD)	51	21	-6	-57	-29
Net official international reserves (in months of imports)	2.9	3.0	2.6	2.2	2.2
Total external debt (millions of USD)	288	319	358	288	377
EXTERNAL DEBT (PERCENTAGE OF GDP)	21.2	23.2	25.7	22.6	31.9

Source: IMF 2004. Note: Figures do not tally exactly with GOS official statistics.

Although Swaziland is classified as a Lower Middle Income country, a large proportion of its population is poor, as an estimated 66 percent of the population lives below the poverty line (defined at USD 1 per day). The average per capita income of the poorest 40 percent of the population is less than USD 230, and 43 percent of total income goes to only ten percent of the population. Formal employment in 1999 was estimated at 89,015 (GOS-Central Statistical Office, 2003). The majority live in farm households located on communal areas engaged in subsistence farming. The main cause of the widespread poverty in Swaziland's rural areas is the large amount of labour that is devoted to low productivity rainfed crop farming and animal rearing. This has failed to provide the majority of the rural households with an adequate source of livelihood, thereby inducing them to survive with the help of non-agricultural employment and remittances from family members working in South Africa or the urban centres of Swaziland. Even then, there is widespread rural poverty, food insecurity and malnutrition. This is aggravated by the high incidence of HIV/AIDS. The rural economy's reliance on subsistence agriculture is exacerbated by the low incentives to invest on communal Swazi Nation Land (SNL), which accounts for about 75 percent of all land, and the related but distinct issue of limited availability of commercial credit to finance such investments.

## 1.2 The Agricultural and Rural Sector

**Contribution to the economy.** The agricultural sector's share of GDP decreased from about one-third at independence to 13.6 percent (average for the period 2000-2002). However, agriculture remains an important source of livelihood for over 70 percent of the population and most households derive a substantial part of their income from agriculture, either as small-scale producers or as employees of the medium- and large-scale farms and estates. The sector, including agro-based industries, is also an important foreign exchange earner, accounting for about 45 percent of the value of national exports. Sugar cane accounts for 60 percent of agriculture's contribution to GDP. The growth of real per capita GDP fell from six percent in 1990 to a negative rate in 1991/92 during a severe drought. Another drought in 2001/02 resulted in a drop of 42 percent in maize production from the average.

Table 2: Agro-ecological Zones of Swaziland

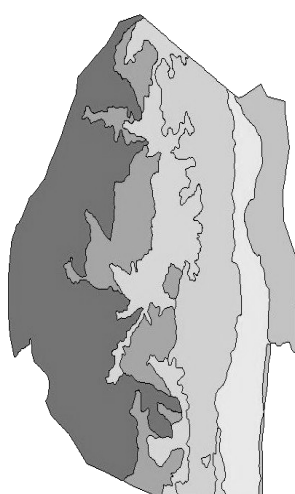
Agro-ecological Zone Altitude & % of total land area	Dominant Landform & Geology	Climate Annual rainfall (mm) * Thermal zone	Inherent Vegetation	Land Degradation
Highveld 900-1400m 33%	Dissected escarpment, basins and plateau (Granite)	Subhumid 850-1400 (700-1200) Moderately cool	Short grassland with forest patches	30% serious erosion 40% poor range conditions
Upper Middleveld 600-800m 14%	Medium & low hills, basins & plateau remnants (Granodiorite/Granite)	Subhumid 800-1000 (650-850) Moderately warm	Tall grassland with scattered trees & shrubs	50% serious erosion 70% poor range conditions
Lower Middleveld 400-600m 14%	Rolling plain with low hills (Gneiss)	Moist semi-arid 650-800 (500-700) Moderately warm	Broad leaved savanna	20% serious erosion 25% poor range conditions
Western Lowveld 250-400m 20%	Undulating plain (Sandstone/Claystone)	Dry semi-arid 625-725 (425-550) Moderately warm	Mixed savanna	10% serious erosion 60% poor range conditions

Agro-ecological Zone Altitude & % of total land area	Dominant Landform & Geology	Climate Annual rainfall (mm) * Thermal zone	Inherent Vegetation	Land Degradation
Eastern Lowveld 200-300m 11%	Gently undulating plain (Basalt)	Dry semi-arid 550-625 (400-500) Moderately warm	Acacia savanna	5% serious erosion 40% poor range conditions
Lubombo Range 250-600m 8%	Undulating and dissected cuesta plateau (Ignimbrite)	Moist semi-arid 700-825 (500-750) Moderately warm	Hillside bush and plateau savanna	5% serious erosion 5% poor range conditions

(Source: FAO/MOAC, 1994 & 1997) \*80% Dependable rainfall in brackets

**Agro-ecological Zones.** Swaziland has a landmass of approximately 17,364 square kilometres and is divided into six agro-ecological zones based on elevation,

#### Agro Ecological Zones of Swaziland



Agro Ecological Zones of Swaziland

- Highveld
- Western Lowveld
- Eastern Lowveld
- Upper Middleveld
- Lower Middleveld
- Lubombo Range



topography, climate, geology and soils: Highveld, Upper and Lower Middleveld, Western and Eastern Lowveld and Lubombo Range. Table 2 presents an overview of the main characteristics of the six agro-ecological zones. The AEZ Map shows the spatial distribution of the zones. Going from high to low (West to East), the landscapes vary from the plateaus and steeply dissected slopes of the Highveld via the hilly Upper Middleveld and footslopes of the Lower Middleveld to the undulating plains of the Lowveld. The Lubombo Range borders Mozambique and consists of a series of ridges, made up by a tilted and eroded plateau. Climatic conditions range from sub-humid and temperate in the Highveld to semi-arid and warm in the Lowveld. Summers in the Lowveld are hot and drought occurs frequently. Only the Highveld and Upper Middleveld have sufficient rainfall for reliable rainfed crop production, however still with irregular occurrence of drought. The inherent vegetation still characterises a

substantial proportion of the country, although large areas have changed as a result of cultivation and other human interference. Erosion and land degradation is most severe in the Upper Middleveld, and relatively minor in the Lowveld and Lubombo. The most serious erosion is found on communal rangelands, and the same applies to the occurrence of deteriorated range conditions (FAO/MOAC, 1994).

**Land use and suitability of soils.** The main land use in Swaziland is extensive grazing, of which communal extensive grazing covers approximately 50 percent of the country and commercial ranching 19 percent (FAO/MOAC, 1994). Grazing takes places on natural grasslands, savannas and woodlands, which areas are also used for community forestry. Small-scale subsistence rainfed agriculture including grass-strips, homesteads and other infrastructure covers about 12 percent, whereas large-scale irrigated and rainfed crop production cover approximately 4 and 2 percent respectively. The latter is variable due to increases and decreases in cotton farming. In most years, a considerable part of the total arable land is fallow or temporarily unused. Plantation forestry including mills, firebreaks, tracks and other infrastructure covers about 8 percent and the remaining 5 percent is made up of national parks and urban areas. Soils suitable for crop production occur in all agro-ecological zones, but distribution and soil types vary strongly, depending on slope and other

terrain conditions. Suitable soils in the Highveld and Upper Middleveld are found in basins and other relatively level parts. The soils of the Eastern Lowveld are generally more suitable for irrigated crop production than the soils of the Western Lowveld. Crop production in the Lubombo Range is restricted to the non-eroded plateau remnants.

**Land tenure and structure of sector.** The land tenure system in Swaziland can be divided into two categories: communal land held in trust by the King, called Swazi National Land (SNL), which amounts to about 74 percent of the area; and land under Title Deed (TDL), accounting for the remaining 26 percent (FAO/MOAC, 1994). However, not all SNL is communally used: the Ministry of Agriculture and Co-operatives (MOAC), parastatals and leasing companies control about 25 percent of SNL. About two thirds of SNL is used for non-commercial extensive communal grazing, with subordinate other activities such as community forestry. About 80,000 ha, or less than seven percent of all SNL is normally planted to subsistence crops, with maize as the most important crop, followed by cotton, groundnuts, pumpkins and sweet potatoes. The TDL area is held as freehold or by concession, and is located mainly in the Highveld and Eastern Lowveld, where it covers 30 and 40 percent respectively. The TDL area is mainly used for commercial forestry and livestock production (ranching), as well as for the cultivation of sugarcane, citrus, pineapple, vegetables and fodder crops. Sugarcane completely dominates the irrigated agriculture sector; in 2002 covering more than 46,000 ha of the approximate total of 50,000 ha of irrigated land.

**Arable Land Statistics.** Table 3 shows land statistics selected from the wide range of available data on cultivated and arable land in the agro-ecological zones of Swaziland (in most statistics the two Middleveld zones are combined, as are the two Lowveld zones). The total net arable land in 1994 estimated by remote sensing is 236,000 ha (FAO, 1994) and 219,000 ha (GOS-Central Statistical Office, 2003), of which 41,000 ha fallow. Later estimates are significantly lower: 191,000 ha (IFAD, 2001) and 182,000 ha (FAO-CASP, 2003). Actually cultivated areas derived from statistical records show generally much lower coverage than these general land use data. The total cultivated rainfed Swazi National Land (SNL) in 2002 – which is considered a normal year - is estimated at about 80,000 ha, including about 1,000 ha of fruit trees. The areas of irrigated SNL and rainfed TDL are relatively minor<sup>1</sup>. Almost all crop production on TDL is irrigated, of which in 2002 about 46,500 ha of sugarcane, including out-growers (SSA, 2003), and about 2,500 ha of citrus. The total cultivated land in 2002 is estimated at about 131,000 ha, which is significantly lower than earlier statistical estimates, which reached peak values of around 200,000 ha in the 1980s. The large proportion of fallow and abandoned land explains the shortfall. The area used for cotton alone is 30,000 ha less compared to its peak of 15 years ago.

Table 3: Arable and cultivated land in Swaziland (ha)

Agro-ecological	Total area	Estimated net arable area	Rainfed 2002 (Mainly SNL)	Irrigated 2002 (Mainly TDL)	Total cultivated
-----------------	------------	---------------------------	---------------------------	-----------------------------	------------------

<sup>1</sup> The irrigated area of SNL in 2002 according to statistical figures is 1,700 ha, but this seems a low estimate, as the out-growers area under sugarcane is significantly larger (SSA, 2004). The remaining irrigated SNL area (small-scale and micro non-sugarcane) is estimated at no more than 1,500 ha (Lankford, 2001). The total of rainfed crops (cotton, pineapple, tobacco) on TDL is less than 1,000 ha (some 400ha of pineapple in the Middleveld and 400 ha of cotton in the Lowveld).

Zone		FAO1994	FAO 2003	(Statistics)	(Stats/SSA)	2002 (Statistics)
Highveld	555,200	28,000	27,800	26,500	400	27,000
Middleveld	486,100	67,000	58,300	28,700	5,500	34,000
Lowveld	538,200	127,000	80,700	21,600	44,500	66,000
Lubombo	156,500	14,000	15,400	3,700	100	4,000
Total	1,736,000	236,000	182,000	80,500	50,500	131,000

Sources: FAO/MOAC 1994; FAO-CASP 2003; GOS-Central Statistical Office 2004; Swaziland Sugar Association 2004

**Livestock statistics.** Cattle dominate the livestock sector in Swaziland. Numbers of cattle always fluctuated as a result of drought but have gradually increased till a peak of 753,000 in 1992. They have since decreased and did stabilise in recent years at around 600,000. The stocking rate on SNL is more than two times larger than on TDL. Goat is the main small stock, but from 1995 numbers have decreased by one third to about 300,000 in 2002. Numbers of sheep, pig and equine are relatively low. Numbers of poultry are strongly increasing (FAO-CASP, 2003). Table 4 gives the distribution per AEZ of the two grazing types - ranching and extensive communal - and the recommended carrying capacity with the actual deviation from the optimal numbers. Extensive communal grazing is highest (67 percent) in the Upper Middleveld and just above the country average of 50 percent in the Highveld, Lower Middleveld and Lubombo. Ranching is highest in the combined Lowveld (about 30 percent), and also high in the Lower Middleveld and Lubombo. In the Middleveld and Lowveld the livestock density is much higher than the recommended carrying capacity, which has resulted in overgrazing and range degradation.

Table 4: Distribution of grazing type per agro-ecological zone and carrying capacity with actual deviation from the optimal

Agro-ecological Zone (AEZ)	TDL Ranching		SNL Communal		Total Grazing		Carrying Capacity	
	Ha	%	Ha	%	Ha	%	Ha/TLU*	Deviation
Highveld	50,000	8.7	302,000	56.7	352,000	65.4	2.4	- 43%
Upper Middleveld	28,000	11.6	161,000	66.9	189,000	78.5	2.9	+ 30%
Lower Middleveld	58,000	23.9	130,000	53.6	188,000	77.5	2.9	+ 30%
Western Lowveld	100,000	29.4	128,000	37.5	228,000	66.9	3.7	+ 63%
Eastern Lowveld	64,000	32.5	46,000	23.5	110,000	56.0	3.7	+ 63%
Lubombo Range	33,000	22.1	80,000	54.3	113,000	67.4	2.9	- 38%
TOTAL	332,000	19.2	866,000	50.0	1,198,000	69.2	3.0	+ 27%

Source: FAO/MOAC 1994, FAO-CASP 2003

**Institutions.** Swaziland's major institutions for agricultural development are the Ministry of Agriculture and Cooperatives (MOAC), its parastatals as well as a number of non-governmental organisations. Private sector companies largely supply agricultural inputs. The objectives of MOAC are to: i) formulate policy and administer all legislation related to agriculture and organisation and management of cooperative societies; ii) develop and implement plans in pursuit of the agricultural development policy, especially in the areas of rural development and subsistence farming; and iii) provide executive direction and common services for the Ministry, including administration, planning, finance and publicity. MOAC includes the Department of Agriculture and Extension, the Department of Veterinary Services and Livestock Production, the Department of Cooperatives Development, the Economic Planning and Analysis Section, the Agricultural Research Division, the Forestry Section, the Fisheries Section and the Land Use Planning Section. NAMBOARD is the parastatal responsible for agricultural marketing. Other important ministries are the Ministry of Natural Resources and Energy (MNRE), and the Ministry of Tourism, Environment and Communications (MTEC). The Swaziland Komati Project Enterprise (SKPE) was established in 1999 as a parastatal organization, with MNRE as its 'parent Ministry'

(though MOAC is a co-signatory to its founding 'Memorandum of Association'). The original brief was to plan and implement the downstream development of the Komati Basin Project, but its role has been expanded to cover all river basin development in Swaziland and is now particularly relevant to the Lower Usuthu Smallholder Irrigation Project (LUSIP). Other major agriculture implementers include several active NGOs such as the Lutheran Development Services (LDS), Swaziland Farmers Development Foundation (SFDF), World Vision, African Cooperative Action Trust (ACAT), and the EU Micro Projects Programme.

**Financing.** Table 5 shows government budget allocations to agriculture and related rural development against total annual expenditure. For purposes of calculating the agricultural sector budget the following budget components were used: (i) all the recurrent budget of the Ministry of Agriculture and Co-operatives (MOAC); and (ii) budgets of all capital projects falling under sector "A", that is "agriculture, forestry and fisheries" in the Government's Estimates Book (GOS, 2004). In recent years, sector "A" would also include budgets for the downstream development components of the two major irrigation projects currently undertaken by the Government. These are the Komati Downstream Development Project (KDDP) and the Lower Usuthu Smallholder Irrigation Projects (LUSIP). Although these projects are agricultural in nature, administratively they are handled by the Swaziland Komati Project Enterprise (SKPE), which falls under the Ministry of Natural Resources and Energy (MNRE).

Table 5: Government budget allocation to agricultural sector against the total annual budget (E'000)

Expenditure	00/01	01/02	02/03	03/04	04/05
a) Total Annual Government Budget	3,104,072	3,536,484	3,893,969	4,386,436	5,333,037
b) Growth in budget		14.0%	10.1%	12.7%	21.6%
c) MOAC recurrent budget	89,744	109,290	115,809	132,519	146,510
d) Total agricultural sector capital budget:	98,193	138,199	112,368	95,961	92,221
d1). Total MOAC capital budget	32,428	54,259	72,861	70,449	110,219
d2) Downstream LUSIP & KDDP under MNRE	0	25,580	45,442	38,912	39,462
d3) 75% of Upstream LUSIP & KDDP under MNRE	61,500	71,940	27,507	19,512	29,002
e) Total agricultural sector budget (c + d)	187,937	247,489	228,177	228,480	238,731
f) Agriculture budget as % of total budget	6.1%	7.0%	5.9%	5.2%	4.5%
g) Growth in agricultural sector (e)		31.7%	-7.8%	0.1%	4.5%

Source: Government of Swaziland Estimates 2004-2007, and previous

## 1.3 The Strategic Framework

### 1.3.1 Government Strategy

**National Development Strategy (NDS).** Swaziland has prepared a long-term development strategy (NDS 1997-2022), which provides a framework for poverty elimination, employment creation and gender equity (GOS, 1999). Under the NDS, agriculture has been identified as one of the key sectors for achieving the strategic objectives, and is being taken care of within the Government's National Development Plan (NDP). The NDP is elaborated in annual 3 year rolling plans and sets out the Government's public investment programme. The agricultural development strategy is based on the consideration that Swaziland has a comparative advantage in agricultural production because of its good soils, good climatic conditions, potential for quality agricultural research and competitive wage

rates. A large portion of the population will be still deriving its livelihood from agriculture over the next twenty-five years. It, therefore, makes good economic sense to select agricultural development as one of the major areas of strategic thrust. Important elements are food security at the household and community levels, commercialisation of agriculture on Swazi Nation Land, efficient water resource management and usage, and rational land allocation and utilization. A selection of the most relevant agricultural, land use and rural development strategies as identified in the NDS are given in Annex 3. Important strategies are covered under the following intervention areas: food security, employment, legislation, marketing, trade, land use, land tenure, livestock, and empowerment and community participation in rural development.

**Poverty Reduction Strategy.** The formulation of a Poverty Reduction Strategy (PRS) was seen as a vital part of implementing the NDS. The World Bank, in consultation with the Government, produced a Poverty Policy Overview Report (World Bank, 2000) that recommended a number of key interventions required to improving the living standards of the poor. One of the four main interventions was smallholder agricultural development through land tenure reform, sustainable cattle management, and the introduction of small-scale savings and credit mechanisms in rural areas. The Prioritised Action Programme on Poverty Reduction (GOS-MEPD, March 2002) formulates the action plan of the Poverty Reduction Strategy of the Government. A revised PRS Action Programme is to be developed in 2004. The current programme identifies three major strategies: (i) rapid acceleration of economic growth based on broad based participation, (ii) empowering the poor to generate income through economic restructuring, and (iii) equitable distribution of the benefits of growth through public spending. It elaborates on a number of topics and presents a comprehensive list of prioritised projects with a total cost of USD 64,512,125. The identified projects are listed according to topic or sector, with almost 60 percent of the total budget earmarked for education and about 20 percent for agriculture and food security (see Annex 2). Rural development, development of small and medium enterprises (SMEs) and increased agricultural production on SNL are seen as key elements in reducing unemployment and poverty. The poverty reduction strategy in agriculture seeks to improve incomes and achieve food security in the rural sector from a combination of own grown food, proper food storage and cash generated from other activities. Several of the plans in the PRS relate to the activities under the five pillars of CAADP (Table 6). Due to the lack of integration of the PRS proposed projects into the sector budgets, not much of the programme could be implemented in the past two years. The prospects for the PRS's budgetary integration and implementation in future years also seem limited.

**Agricultural and other policies.** Despite the importance of agriculture, Swaziland does not yet have a comprehensive agricultural sector policy (CASP) that embraces the crop and livestock sub-sectors and which takes account of the important complementarities between these two sub-sectors. A first draft of a CASP for Swaziland was discussed at a stakeholder workshop in December 2003 and the policy should be finalized in 2004. Since poverty is widespread in Swaziland, the focus of the draft CASP is on poverty reduction and food security. Its main objective is to improve the livelihoods of Swaziland's poor across the board. Other policies and strategies that relate to agricultural development in general and the CAADP pillars in particular, include the Livestock Development Policy (1995), the National Forest Policy & National Forestry Programme (2002), the Swaziland Environment Action Plan (1997), the draft National Environmental Policy (2002), the draft National Biodiversity

Strategy & Action Plan (2000), the National Physical Development Plan (1996), the National Rural Resettlement Policy (2003), the National Energy Policy (2002), the draft Tourism Policy (2002) and the draft Water Policy (1999). A National Land Policy (2000) has been drafted, designed to regulate important land tenure and land use matters.<sup>2</sup> Under the World Bank funded Urban Development Project (UDP), an initiative has been undertaken whereby the definition of SNL was reinterpreted to allow for 99-year leases to be held on SNL (within the Project Area).<sup>3</sup>

### **1.3.2 Major Co-operating Partners' Strategy**

**Overall assistance.** The total external assistance to Swaziland by bilateral and multilateral co-operating partners has been decreasing over the last decade and is now below five percent of the GDP. The main reasons for this decrease are a shift of interest to other countries, concerns about the Kingdom's governance, Swaziland's Lower Middle Income Less Indebted status, low government capacity and slow implementation of development programmes. The Government has designed an Aid Policy Statement (APS) on external assistance to provide a framework for effective resource mobilisation and to ensure consistency with national and sector priorities.

**European Union (EU).** The EU is one of the key co-operating partners in Swaziland. The three main objectives of EU co-operation are to foster sustainable economic and social development, to integrate developing countries into the world economy, and to reduce poverty. Since 1976, the three main sectors of support have been rural development, human resource development (HRD) and private sector support. The fundamental priority of EU-Swaziland cooperation will be HDR through support to the education sector. Outside this focal area, support will be given to the Lower Usuthu Smallholder Irrigation Project and to a participatory and decentralised poverty reduction programme. Gender equality, HIV/AIDS, decentralisation, capacity building and environmental management are important crosscutting issues.<sup>4</sup>

**United Nations (UN).** Through its agencies the UN is an important multilateral co-operating partner. The agencies include the United Nations Development Fund (UNDP), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Population Fund (UNFPA) and the United Nations High Commissioner for Refugees (UNHRC). The Food and Agriculture Organization (FAO) is active in Swaziland with support to the formulation of the Comprehensive Agricultural Sector Policy and the National Irrigation Policy.

The African Development Bank (AfDB) and the International Fund for Agricultural Development (IFAD) lending is focused primarily on public works and agriculture. The

---

<sup>2</sup> At present the draft National Land Policy is held up with the Swazi National Council (SNC) and progress seems unlikely until the draft constitution is accepted and implemented.

<sup>3</sup> This innovation occurred in 1998 and was aimed at enabling project beneficiaries to have secure tenure of their plots to promote realisable investments. In these instances the plots are registered with the Deeds Office and the informal system gives way to the legal approach that prevails on TDL. The Ministry of Housing & Urban Development (MHUD) has an ongoing initiative to expand the application of this concept.

<sup>4</sup> European Community: Country Strategy Paper (CSP) and Indicative Programme for the period 2002-2007.

World Bank is also involved in the Kingdom in the aforementioned loan-financed Urban Development Project, and more recently providing grant support to combat HIV/AIDS.<sup>5</sup>

The main bilateral co-operating partner in Swaziland is the Republic of China (Taiwan), mainly in the form of technical assistance and equipment through grants and loans. The sectors involved are agriculture, roads, handicrafts, rural electrification, computerisation and health. Others include Japan through the Japan International Co-operation Agency (JICA) (food production, medical equipment, poverty reduction and water supply) and Egypt (provision of medical personnel).

Among the EU member states, the United Kingdom (through DFID) has been one of Swaziland's main co-operating partners since independence. In recent years, support has been focused on public sector reform and education, enterprise development, protection and better management of the environment, and community-level development in rural areas. Other EU member states' interventions are relatively small, and include Denmark (forestry and energy policy, and solid waste management), Germany (vocational training and provision of medical doctors), Italy (health sector reform and HIV/AIDS), and Sweden (feasibility study of rural electrification, training and some NGO activities).

### 1.3.3 Pipeline Projects

Information on activities proposed by government for agricultural development are shown in, Table 11, with the linkages between the proposed policy thrusts and the five pillars of the Comprehensive Africa Agriculture Development Programme (CAADP) of NEPAD (New Partnership for Africa's Development). The activities and interest of various co-operating partners and their linkages to the pillars are shown in, Table 12. The pillars are briefly described in Table 6.

Table 6: The Five Pillars of CAADP

1 <sup>st</sup> pillar	Expansion of area under sustainable land management and reliable water control systems
2 <sup>nd</sup> pillar	Improvement of rural infrastructure and trade-related capacities for improved market access
3 <sup>rd</sup> pillar	Enhancement of food supply and reduction of hunger (including emphasis on emergencies and disasters that require food and agricultural responses)
4 <sup>th</sup> pillar	Development of agricultural research, technological dissemination and adoption to sustain long-term productivity growth
5 <sup>th</sup> pillar	Livestock, fisheries and forestry

## 1.4 Conclusion

The interest of co-operating partners to participate in agricultural programmes has continuously decreased since the 1980s. At present the only grant support in a major

---

<sup>5</sup> The first ever such World Bank grant to a Lower Middle Income country.

agricultural development programme is that of the EU in the Lower Usuthu Smallholder Irrigation Project (LUSIP)<sup>6</sup>.

---

<sup>6</sup> The African Development Bank (AfDB), the Arab Bank for Economic Development in Africa (BADEA), the Development Bank of South Africa (DBSA), the European Investment Bank (EIB), the International Cooperation and Development Fund (ICDF) and IFAD are all providing loan/credit finance for this project

## CHAPTER 2 CONSTRAINTS AND OPPORTUNITIES

---

**Macro-economic.** Economic reforms are central to government policy, but progress is slow and implementation patchy. Economic policy is broadly aimed at promoting macroeconomic stability, attracting foreign investment, generating employment, improving public expenditure management and improving the administration and collection of revenue. The openness and the small size of the economy make it vulnerable to exogenous shocks and also limit autonomy, particularly in monetary policy. Long-term challenges upon which the Government is working include improving fiscal discipline and policy- including budgetary planning- broadening the tax base and restraining overall government expenditure. In addition, the full fiscal and economic impact of the HIV/AIDS pandemic is yet to be felt in the Kingdom. Swaziland's debt/GDP and debt/service ratios are very low by developing country standards (the debt stock is currently about 31 percent of GDP) and the Kingdom has never defaulted nor required IMF intervention. It is unlikely that Government will contract any additional external debt (beyond that associated with LUSIP and the Mbabane bypass road) in the medium-term.

**Natural Resource/Environmental.** Swaziland's six agro-ecological zones (AEZ) have rather limited areas suitable for cultivation due to terrain conditions and type and quality of soils. Smallholder farming in Swaziland is characterized by unsustainable cultivation and soil management practices which have resulted in depletion of organic matter and nutrients. This has a negative effect on soil fertility and also compromises the water holding capacity of the soil. The total grazing land extends over more than 1,100,000 ha and unimproved natural pasture grasses and natural browse trees and shrubs dominate the plant cover. With increased pressure and without proper range management, the productivity of these forages is commonly low because they degrade as a result of overexploitation and open up to soil erosion and weed encroachment. Forests and woodlands cover about 45 percent of Swaziland's total area, but these largely natural resources are being rapidly degraded. The water that Swaziland can extract from its five main river basins is limited by agreements with South Africa and Mozambique. The availability of groundwater is constrained by the physical characteristics of the aquifers, and virtually all irrigation in Swaziland is based on surface water. Several opportunities exist for improving soil fertility and moisture retention, for instance by expanding or renovating the grass-strip terraces, and planting of trees and shrubs for organic manure and fodder. Application of lime and gypsum would neutralize the effects of low soil pH and aluminium toxicity of some of the highly weathered soils of the Highveld and Upper Middleveld. The main opportunities to reduce range degradation are better management of the communal grazing areas and better use of animal feed resources on the individual farms. An obvious way to reduce the risks associated with unreliable rainfall is to develop irrigation and apply efficient irrigation methods. Other options include application of soil moisture conservation technologies and cultivation of drought tolerant crops.

**Rural Infrastructure.** Swaziland has a good network of roads and the main road to South Africa has been upgraded to dual carriageway standard. There are plans to improve an existing gravel road in the Northern part of the country to establish an important link with the Johannesburg – Maputo highway. Swaziland Railways is one

of the few profitable railways in Africa. Telecommunications are relatively poor by South African standards, but the mobile phone network has grown rapidly. Although the electricity grid has been extended to most areas, most rural households depend heavily on fuel wood, petroleum products and coal for their energy needs.

Swaziland currently produces a small amount of goods suitable for freight, but there are several international airports in the proximity. Based on existing infrastructure, the country would be well equipped if it were to pursue crop diversification.

**HIV/AIDS.** The occurrence of HIV/AIDS is very high in Swaziland. It is estimated that at the end of 2002 38.6 percent of Swazis aged 15-49 years were affected (UNAIDS, 2003). The demographic change and resultant impact in labour force will have significant effects on the society and economy. The numbers of HIV cases are still increasing and the number of AIDS deaths is expected to rise to a peak in 2008. Subsistence agriculture and food security are very seriously threatened by HIV/AIDS (GOS-MOAC et al., 2002).

**Agricultural Production.** The main problems facing agricultural production in Swaziland are limited investment, low inputs, marketing, land degradation, HIV/AIDS, drought and limited processing industries. Opportunities exist to develop the significant agricultural potential. Irrigation can be expanded and crop diversification towards more high value crops could be achieved, thereby creating opportunities for increased farmers' incomes. Past efforts to promote diversification have not been very successful, and it is felt that future efforts should not be limited to the introduction of improved production technologies, but should also focus on developing markets, marketing channels and rural infrastructure. The present rainfed farming practised in the SNL, which is characterised by low productivity, also provides ample scope for improving the efficiency of the bulk of the farmers producing in this area.

**Arable Land.** The overall cultivated area on SNL has decreased since the early 1990s. It has always fluctuated as a result of drought and variable interest in growing cotton, but in good years it used to be well over 100,000 ha. The last year with more than 100,000 ha of cultivated SNL was 1990/91, with a total of about 120,000 ha, of which maize covered 99,000 ha and cotton 17,000 ha. Average totals of SNL cultivated from 1992 till 2002 are about 80,000 ha, of which 60,000 ha planted to maize with an average yield of 1.6 t/ha. Estimated overall figures of arable land are much higher, which indicates that the proportion of fallow land is always high, particularly in drought years. The other effect is the fluctuation of the land under cotton, which again in the last few years has dramatically decreased. As a result of HIV/AIDS and the diminishing rural labour force, the percentage fallow and semi-abandoned land is expected to further increase. The current trend indicates that in principle sufficient land is available for development, although there may be certain restrictions with respect to land tenure.

**The use of SNL as collateral.** The current draft Constitution provides that SNL can not be used as collateral to obtain loans – as it was in the 1968 Constitution. This may be considered as one of the main contributing factors to the current impoverished condition of the rural populace. Furthermore, it is contrary to the intention of the government to introduce 99-year leases in urban, peri-urban and rural contexts, which are being introduced specifically with a right to mortgage in mind. The draft National Land Policy has recommended its repeal, but if the restriction under section 94(2) will continue to apply, it means that mortgaging of leases - that is, the use of

land as collateral - will remain unconstitutional. As far as commercial production is concerned, it places any producer on SNL at a market disadvantage with other competitors. By not allowing the use of land as collateral, finance for any proposed development projects can only be obtained at either a high, or a subsidized low, interest rate. In neither case is the project likely to be sustainable in the long term, thereby limiting the confidence for current investment. In the case of high interest rates, the produce will have to be priced to service the loan, making it, other things being equal, non-competitive with produce priced to service lower interest rate repayments, or none. If the need to market produce is a need for a bankable project, there is a need to attract loans at interest that allow the producer to market competitively. No collateral dramatically reduces that possibility. Further, when a person improves land on TDL, there is a double benefit of cash flow and asset growth, but when a person improves land on SNL, there is only a single benefit of cash flow. Therefore, other things being equal, one would always invest on TDL in preference to SNL, which is one of several major reasons for the lack of potential for bankable projects on SNL.

***Irrigation development and potential.*** With support from FAO, a national irrigation policy and strategy is being formulated, and expected to be completed in 2004. Such a comprehensive irrigation policy would support the NMTIP, and in particular CAADP pillar 1. Information on the irrigation potential in Swaziland is essential for the NMTIP. Different estimates are found in the literature, often without reference to the original source. FAO Aquastat (2004) provides estimates of 200,000 and 90,000 ha of irrigated potential, which figures are respectively based on the availability of land alone and land and water together. These data are most likely based on a study commissioned by UNDP (1970) that identified an additional irrigation development potential of 195,000 ha, in addition to the approximate 30,000 ha already irrigated at that time. The larger part of the potential was found in the river basins of the Komati, Lower Usuthu, Mbuluzi and Ngwavuma. By far the largest area was identified in the Lowveld (132,000 ha), followed by the Middleveld (42,000) and Highveld (22,000 ha). These data are quoted in the National Physical Development Plan (GOS-MHUD, 1996). The NPDP also summarizes findings of a study by the Omaha Corps of Engineers (U.S.Govt/Army Dept., 1981), which indicate that sufficient water and land is available to irrigate an additional 68,900 ha in the four main river basins. Considering that current irrigated land can be estimated at about 55,000 ha, some 25,000 ha have already been developed since these studies were executed. Depending on the estimate, this leaves at least 50,000 ha of suitable land available for irrigation. Of this, more than 15,000 ha of irrigation are planned for the remainder of the Komati development, and the LUSIP that has still to be started. It should be noted that current planning focuses on smallholder development, on the basis of growing sugarcane. If the scenario is changed to another crop, e.g. cotton, there will be a different situation with respect to water requirements and land area that can be irrigated.

***Changes in cultivated land.*** Table 7 gives an indication of the variability in the area of cultivated land – extreme drought years excluded - over the past 20 years and a likely trend for the next 10 years, based on the interpretation of past and current developments in policy, population change, labour availability and investment. The land area under irrigation is gradually but continuously increasing, with 1-2,000 ha annually. The Komati and LUSIP developments alone will account for an addition of more than 15,000 ha of irrigated land. Land under cotton is at the most variable use; at the moment it is very low (probably less than 5,000 ha), but at peak levels close to

40,000 ha, equally divided between TDL and SNL. SNL maize production is gradually but continuously decreasing. The annual total SNL cultivated is strongly dependent on the occurrence of drought. With an optimistic scenario 100,000 ha of SNL may again be cultivated in the near future - extreme drought years excluded - but with a less positive and probably more realistic scenario, the average cultivated SNL may further decrease to an average of perhaps 60,000 ha. The two main reasons for the decrease are the reduced labour input caused by HIV/AIDS and the continuous transition of rainfed SNL into irrigated land (Komati and Lower Usuthu, but also smaller schemes). It is estimated (GOS-MOAC et al., 2002) that in households affected by death through AIDS both the area of cultivated land and the yield may decrease by as much as 50 percent. Under the negative scenario and without intervention, it is very likely that within ten years there will be more irrigated than rainfed land and that a large proportion of the total arable land will be not cultivated.

Table 7: Variability in cultivated land area (ha)

Main category	Past 20 years (1984-2004)	Next 10 years (2005-2015)
Irrigated - mainly sugarcane	35,000-55,000	55,000-70,000
Rainfed TDL - mainly cotton	1,000-20,000	1,000-20,000
Rainfed SNL - mainly maize	80,000-130,000	60,000-80,000
<b>Overall variability</b>	<b>140,000-180,000</b>	<b>120,000-170,000</b>

**Livestock Production.** Although the number of cattle has decreased from around 750,000 in the early 1990s to about 600,000 in recent years, stocking levels are still too high – in particular on SNL - and deterioration of the rangelands is continuing. The major constraints to livestock production have been identified as diseases, breeds and breeding practices, inadequate feed resources, lack of range management and water shortages, under-utilization of market infrastructure, lack of adaptive research, lack of proper livestock census and lack of capital for improved technologies necessary for animal development. Opportunities are: i) increased off-take of cattle, poultry and dairy production to meet market demand and reduce imports; ii) improved range management and rehabilitation to prevent overgrazing and to control degradation; iii) improved livestock quality and condition through proper breeding and selection and improved supplementary feed preparation; iv) more effective livestock marketing through better marketing facilities and information; v) strengthening livestock extension activities under the Veterinary Department and upgrading of Veterinary and Stock Farmer Training to cover basic production extension technology; and vi) better control of tick and tick-borne diseases and others of economic importance, and provision of basic support data for livestock development, veterinary, public health and animal health promotion through livestock and veterinary research.

**Institutions.** Two of the main actors within MOAC are the Agricultural Research Division (ARD) and the Department of Agriculture & Extension (DAE). The ARD has over seven sections, but has no director with executive powers since 1990. This has disadvantaged its operations and reduced its visibility and importance. The DAE has over twenty sections and units that perform unrelated functions, lacks synergy and complementarities. The independence and weak linkage of these actors has resulted in low development and delivery of technologies and information to farmers. Appropriate policies and mandates for both research and extension need to be developed. Other opportunities exist by which MOAC forms partnerships with NGOs and the private sector.

**Legal and Regulatory Framework.** The legal framework related to agriculture, forestry and fisheries is fragmented and largely outdated. Most of the Acts on agricultural policy and practices are more than 30 years old<sup>7</sup>. New Acts include the Flora Protection Act of 2001, the Swaziland Environmental Management Act of 2003, and the Water Act of 2003. New bills on Resettlement, Forestry and Co-operations are currently being prepared.

**Conclusions.** The opportunities identified above indicate that several realistic options for agricultural development and investment exist. Sufficient land of good quality is available to further develop irrigated agriculture, however water resources may no longer be sufficient to irrigate as much land as identified 20 years ago. For that reason, attention has also to be given to rainfed crop production, with special care for the vulnerable dryland part of Swaziland where poverty is more severe than in the high rainfall areas. Livestock production, forestry and fisheries offer interesting opportunities provided these are linked with community management development. The demographic change and effect on the labour force as a result of HIV/AIDS will have a significant impact on rural development. The position of SNL as collateral is an issue of concern, and this may have a negative effect on the competitiveness of commercial development on SNL.

---

<sup>7</sup> Animal Diseases Act, 7/1965; Cane Growers Act, 12/1967; Canning Control Act, 69/1961; Cattle Dipping Charges Act, 46/1950; Cattle Export and Slaughter Tax, 32/1968; Cattle Routes Act, 15/1918; Citrus Act, 22/1967; Control of Cereals Act, 28/1959; Control of Milling Charges, 150/1942; Control of Tree Planting Act, 7/1972; Cotton Act, 26/1967; Cruelty to Animals Act, 43/1962; Dairy Act, 28/1968; Grass Fires Act, 44/1965; Land and Agricultural Loan Fund Act, 34/1929; Locust Destruction Act, 44/1924; Noxious Weeds Act, 19/1929; Pineapple Act, 8/1967; Plant Protection Act, 10/1958; Private Forests Act, 3/1951; Protection of Fresh Water Fish Act, 75/1937; Regulation of Pedigree Livestock Act, 11/1921; Sale of Wool Act, 29/1942; Stock Theft Act, 6/1904; Tobacco Act, 52/1944; Transfer of Assets and Liabilities of the Swaziland Livestock Producers; Wattle Bark Control Act, 38/1960; Wild Mushroom Control Order, 31/1973.

# CHAPTER 3 INVESTMENT PROGRAMME OUTLINE

## 3.1 Priority areas for Investment

The priority areas for investment within the agricultural sector are outlined by the National Development Strategy (NDS), which sets out the vision 2022 and identifies key macro strategic areas, which include economic empowerment, agricultural development and environmental management. The prioritisation of the sector strategies of the NDS is worked out in medium-term development plans and guided by specific policies, action programmes and legislation, of which the most relevant with respect to agricultural development include the Millennium Action Programme of 2003, the Poverty Reduction Strategy of 2002, the Swaziland Environment Action Plan of 1997, the Water Act of 2002, the Draft Comprehensive Agricultural Sector Policy of 2004, the Draft Irrigation Policy of 2004, the Drylands Development Programme of 2002, the Rural Resettlement Policy of 2003, the Small and Medium Enterprises Policy of 2003 and the National Forestry Programme of 2002. These programmes contain the main thrust of the Government's agricultural strategy.

The priority areas for agricultural investment are based upon Swaziland's need for food security, in particular for the poor and vulnerable sections of the population. The programmes and strategies mentioned in the previous section have been designed to contribute towards the overall goal of poverty reduction. The most relevant programmes have been prioritised in Table 8, taking into consideration the NDS framework and also previous and current co-operating partner interests. The selected list is arranged according to the five pillars of CAADP and has been screened against unrealistic or low priority programmes. The CAADP-NMTIP Steering Committee and Stakeholders Workshop have established high and medium priorities following a full appraisal. Several programmes are crosscutting to other pillars. An important general crosscutting issue that should be recognised in a number of the identified programmes is the need to strengthening linkages between the public and private sector.

Table 8: Priority programmes in agriculture and rural development

Pillar	Programme Goal	Priority
1	Development of a strategic rural water development plan	High
	Multi-purpose rural water development for irrigation and domestic rural water supply	High
	Development and improvement of commercial small-holder irrigated agriculture	High
	Development and improvement of sustainable crop production in areas with reliable rainfall	High
	Development of sustainable crop production in dryland areas	High
2	Improvement of rural infrastructure	High
	Rural marketing improvement	Medium
	Policy and legislative support for rural communities to facilitate trade	Medium
	Expansion of trade and improvement market access	High
	Expansion and improvement of livestock marketing	High
3	Increasing food production focusing on nutritious and indigenous food at household level as well as the production of organic food	High

Pillar	Programme Goal	Priority
	Decreasing vulnerability through development of alternative livelihoods from rural entrepreneurship and industrialisation	High
	Decreasing vulnerability through support to drought preparedness and mitigation strategy	High
	Efficient emergency relief	Medium
4	Establishment of efficient and integrated research service	Medium
	Reorientation of farming systems approach to research and extension in both crops and development of livestock research	Medium
	Establishment of standards and protocols with research institutes in neighbouring countries	High
5	Introduction and improvement of sustainable natural resource management through community Natural Resource Management Committees (NRMCS)	High
	Conserving biodiversity through community management	High
	Combating desertification and land degradation	High
	Development of community forestry and sustainable exploitation of natural forests and woodlands	Medium
	Promotion and development of agro-forestry	Medium
	Improvement of communal and commercial management of woodlots, wattle forest and out-grower schemes	Medium
	Integration of fisheries into agricultural development	Medium
	Improving range management	High
	Improving animal quality and health	High
	Commercialisation of livestock industry	High
	Mainstreaming environmental sustainability	Medium

### 3.2 Project Selection Criteria

One major project selection criterion, used in the identification of the above investment programme priorities (see Table 8), is government priority. Important national priorities of the Government of Swaziland are poverty reduction, food security and environmental protection. Together with co-operating partner interest, this has been used in selecting the proposed investment areas above. In the context of identified priorities, specific projects for investment will be selected in accordance with the following additional criteria:

- **Technical feasibility and sustainability.** This is the crucial test of whether the proposal makes technical sense and can be seen as sustainable in terms of resource utilization. Examples of previous projects or projects in similar areas, which have proved their technical viability, are useful indicators in this respect. This criterion also covers likely effects upon the environment. Proposals indicating the scope for synergy between various interventions will receive favourable consideration.
- **Financial and economic feasibility.** At the early stage of project identification, it is difficult to obtain more than a vague idea of the financial and economic viability of a project, but enough information should be included to justify continuation of the project preparation process. Indicative agricultural budgets can suggest whether a particular technical process is financially viable in the current pricing and marketing context, e.g. a rough idea of irrigation investment costs per hectare in comparison with returns from the crop(s) likely to be grown will give an indication of the financial viability. Wherever possible, a preliminary comparison

of the benefits with the costs of the project should be made, possibly using a simple cost/benefit ratio in financial terms.

- **Social and environmental feasibility.** Although social and environmental criteria have to some extent already been applied as part of standard government procedures to the Priority Programmes in Table 8, it is important reconsidering such criteria after or during the economic feasibility analysis, at the point when information on the social and environmental impact has become available, also in terms of cost. In particular the social conditions that will have an impact on the implementation process should be assessed.
- **Ease of implementation.** Experience indicates that projects with complicated implementation mechanisms have difficulty in attaining their objectives in a timely fashion. For this reason, priority will be given to projects with well-designed implementation mechanisms, suitable to the proposed activities, with clear demarcation of responsibilities.

### 3.3 Preliminary Identification of Projects for Development

The National Medium-Term Investment Programme (NMTIP) will be supported by an investment portfolio of bankable project profiles (see footnote 8 for definition) relevant to the five pillars of CAADP. The aim will be to assist the Government of Swaziland (GOS) in transforming proposals/ideas into bankable projects as expeditiously as possible. Such projects will include proposals that could be financed by loans or grants from international finance institutions (IFI), grants from bilateral co-operating partners, food for aid development as well as GOS own resources.

The investment portfolio will be presented with a simple structure, with brief background material, emphasising the analysis of investment opportunities and constraints within the sector, and a broad indication of aggregate financial and manpower resource implications. The proposed bankable projects will be presented to bilateral and multilateral development agencies for further consideration.

Project profiles of about 15 pages will be compiled covering: background; rationale; project objectives; outline project description; indicative project costs and benefits; source(s) of funding; implementation responsibilities; technical assistance requirements; issues and proposed actions; risks; and preliminary assessment of environmental and social impacts.

A preliminary selection of projects is presented below, based on initial screening of the list of programmes in Table 8 following the above selection criteria. The Stakeholders Workshop and the CAADP-NMTIP Steering Committee have appraised the selection.

---

8 For the purposes of this project, "**bankable projects**" are defined as documents elaborated in a format and with the information that could make them favourably considered by the financial institutions, co-operating partners and private investors foreseen in the Maputo Declaration. These documents should enable partners to make preliminary indications of interest, and of approximate level of funding commitment. Further feasibility analysis and subsequent processing through the concerned partner(s) regular project formulation systems would follow to obtain a project/programme proposal elaborated to the feasibility study level.

***Bankable Project 1 - Practical multipurpose rural water development (related to CAADP Pillar 1, and crosscutting to Pillars 2 and 3).*** The project should consist of the following elements: (1) expanding the capacity of water storage through construction of small and medium storage dams, (2) assessment of utilisation of groundwater resources, (3) designing and developing small-scale irrigation systems in areas suitable for irrigation, and (4) designing and developing suitable water distribution systems for domestic, livestock and other purposes, such as tourism and small agro-industries. This project should be linked with the design and implementation of micro-projects. The project should aim at rural development in areas with incidence of unemployment and poverty, which are most prominent in dryland areas. The project should consider the incorporation of the production of organic food and also develop markets.

***Bankable Project 2 - Increasing food supply and decreasing vulnerability through the development of alternative livelihoods from rural entrepreneurship and industrialisation (related to CAADP Pillar 3, and crosscutting to Pillars 2 and 5).*** The key element of the project is the development of small-scale agriculture-related enterprises, which should be initiated through the promotion of suitable small agriculture-related enterprises such as food processing, storage and preservation as well as agricultural mechanisation. The activities should focus on critical areas, in particular dryland areas. Technical support and credit should be given to develop small agriculture-related enterprises as commercial activities in the rural areas, e.g. bee keeping, pigs, poultry, and fisheries. Also non-agricultural income generation should be stimulated and developed through the promotion of the development of suitable small enterprises through existing or new marketing structures. Technical support and access to credit facilities should be given to develop small enterprises and to implement non-agriculture based micro-projects in selected communities such as handicrafts, small service providers (equipment repairs, building, brick making, paper production using recycled and plant fibres and paper etc.). As part of the project also the potential for community-based conservation and eco-tourism as an alternative livelihood for rural communities should be reviewed and assessed.

***Bankable Project 3- Sustainable natural resource management through community empowerment (related to CAADP Pillar 5, and crosscutting to Pillar 3).*** The establishment of community-based Natural Resource Management Committees (NRMCs) with defined tasks and responsibilities is a prerequisite for the introduction and improvement of sustainable natural resource management. The project should define the structure and function of NRMCs and indicate selection procedures of members describing the different special tasks and responsibilities for the various resources such as forest, rangeland, soils, landscapes and fauna. The NRMCs should be provided with the necessary knowledge for sustainable natural resource management through education and training in the various aspects such as forest, range and soil management. The communities should be assisted to formulate and implement natural resource management plans based on transparent procedures. The project should contain distinct components addressing essential aspects of resource management: (1) enhancement of resource management through identification, description and application of indigenous knowledge systems, (2) conserving biodiversity through community management, botanical gardens and the control and eradication of alien invasive plants, (3) sustainable range management, (4) combating desertification and land degradation, through rehabilitation of degraded land and efficient soil conservation (5) developing community forestry and the sustainable utilisation of indigenous forests and

woodland, including the processing of indigenous forest products, (6) integrating fisheries into agricultural development, (7) promoting community tourism and eco-tourism in conjunction with the other components of natural resource management.

***Bankable Project 4 - Commercialising of the livestock industry and dairy development (related to CAADP Pillar 5, and crosscutting to Pillars 2, 3 and 4).*** The project should address the issue of generating income in the rural areas through commercialising and increasing the production of cattle, small stock and poultry as well as the development of small-scale SNL-based dairying. For both the livestock and dairy industry, emphasis should be given to diversification and adaptation to dryland conditions, for which research should be applied (preferably the application of research results available from the region). It is essential that market development is part of the project, as well as access to finance. The project should address technical, social and environmental issues related to livestock and dairy development.

## CHAPTER 4 FINANCING GAP

---

At the Maputo Summit of July 2003, Heads of State and Government pledged themselves to commit "... allocating at least 10 percent of national budgetary resources for [the] implementation of [CAADP] ... and sound policies for agricultural and rural development within five years". Swaziland is striving to reach this target within the next five years, i.e. by 2009.<sup>9</sup>

The total public resources allocated to agricultural and rural development comprise the budget of the Ministry of Agriculture and Co-operatives (MOAC), as well as the budgets of other ministries for activities related to agriculture and rural development. However, for this purpose only the budget of MOAC and part of the capital estimates<sup>10</sup> of the Ministry of Natural Resources and Energy (MNRE) have been included. Other resource allocation that may relate to agriculture and rural development are not included. This relates to e.g. rural roads (MPWT) and environmental protection (MTEC).

Estimation of the resources required to reach the target of 10 percent by 2008/09 is given in the tables below. Existing projections of Government expenditure as contained in the Budget Outlook Paper (BOP) (GOS, 2003) only exist up to 2006/07 (i.e. for the next two financial years). These projections are only at the broader category level of recurrent and capital and do not show sector or ministry allocations. For the years 2005/06 and 2006/07, BOP projections were used. For the years thereafter, i.e. up to 2008/09, the government stated policy of not effecting any real increase in spending was used. Therefore, the 2007/08 to 2008/08 projected assumed spending would only increase to compensate for inflation. The RSA Reserve Bank target is to keep inflation between 3 and 6 percent. Correspondingly, the upper band of 6 percent was used as Swaziland's anticipated inflation rate. Projected government spending on agriculture and agriculture related rural development was assumed to grow in line with overall government spending. Therefore the same approach used in projecting growth in the overall government budget (already described above) was used. The row "% Actual" will then be the estimates for the agricultural programme forecast's share of the total budget. The row "% Requirements" should gradually increase to become 10 percent in 2008/09. The row "Agricultural Programme Requirement" will then be the above percentage of the total budget. The gap will then be the difference between the agricultural programme requirement and the agricultural programme forecast.

---

<sup>9</sup> The 10 percent target relates to the national budget, including domestically-funded and loan and grant-funded resources.

<sup>10</sup> Only the part related to the upstream (for 75%) and downstream development of irrigation projects.

Table 9: Swaziland: Agricultural Financing Gap (million Emalangen)

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Agriculture Programme Requirement	292	344	365	438	547
Agriculture Programme Forecast	239	236	219	231	245
Gap	53	108	146	207	302
Total Budget	5,333	5,291	4,864	5,156	5,465
% Actual	4,5	4,5	4,5	4,5	4,5
% Requirements (proposed path growth)	5,5	6,5	7,5	8,5	10,0

Table 10: Swaziland: Agricultural Financing Gap (million USD)

	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Agriculture Programme Requirement	44	52	55	68	83
Agriculture Programme Forecast	36	36	33	35	37
Gap	8	16	22	33	46
Total Budget	808	802	737	781	828
% Actual	4,5	4,5	4,5	4,5	4,5
% Requirements (proposed path growth)	5,5	6,5	7,5	8,5	10,0

Rate used: 1 USD = E6,60

THE FINANCING GAP ESTIMATION WILL BE REFINED ONCE  
QUANTITATIVE INFORMATION ON FINANCIAL COMMITMENTS  
TO THE SECTOR OVER THE PERIOD BECOMES AVAILABLE

## CHAPTER 5 MONITORING AND EVALUATION

---

The monitoring of the NMTIP for Swaziland will be undertaken within the overall MOAC/MEPD monitoring and evaluation framework. The overall monitoring and evaluation of the NMTIP will incorporate the production of quarterly and annual reports that will be made available to all key stakeholders. The monitoring of NMTIP will mainly focus on the agricultural sector. The key indicators to be considered will be derived from the programme documents and could include:

- No. of smallholder farmers with access to financial services;
- Contribution agricultural sector to overall economic growth broken down by sub-sector;
- Contribution of the agricultural sector to annual GDP broken down by sub-sector;
- Number of new dams/boreholes constructed or rehabilitated;
- Km of irrigation canals built/rehabilitated;
- Area (ha) irrigated;
- Production and yield levels of major crops;
- No. of livestock produced or treated;
- Incidences of livestock diseases;
- No. of farmer associations trained;
- No. of extension workers trained;
- No. of special financial “windows” created for smallholder farmers;
- No. of studies on agricultural finance undertaken; and
- Specialist agricultural lending institution.

The indicators will be measured against data collected from a number of institutions. This will include baseline data and data contained in annual progress reports. A deliberate effort will be made to clearly define responsibilities for monitoring of the NMTIP activities. MOAC will monitor agricultural activities whilst other line Ministries will be responsible for monitoring activities that fall under their mandate.

## CHAPTER 6 REFERENCES

---

AfDB, 1999. Swaziland Country Strategy Paper. 1999 Update.

Economist Intelligence Unit, 2003. Country Profile 2003 – Namibia and Swaziland.

European Community, 2002. Country Strategy Paper and Indicative Programme for the Period 2002-2007.

FAO, 2004. Aquastat. <http://www.fao.org>

FAO/MOAC, 1994. Land Use Planning for Rational Utilization of Land and Water Resources. Various Field Documents. FAO/UNDP/GOS Project SWA 89/001. Mbabane.

FAO/MOAC, 1997. Towards Sustainable Production and Land Rehabilitation in Swaziland. Edited by A. Remmelzwaal & M. McDermott. Field Document 1. FAO/UNDP/GOS Project SWA 95/002. Mbabane.

FAO-CASP, 2003. Technical Paper No. 1. Water Use Challenges and Opportunities in the Swaziland Agricultural Sector. Mbabane.

FAO-CASP, 2003. Technical Paper No. 3. Livestock Production Policy in Swaziland: Achievements, Constraints and Options. Mbabane.

FAO-CASP, 2003. Technical Paper No. 7. Agricultural Research Policy. Mbabane.

FAO-CASP, 2003. Technical Paper No. 8. Agricultural Extension Policy. Mbabane.

FAO-CASP, 2004. A Comprehensive Agricultural Sector Policy for Swaziland. Main Report - First Full Draft February 2004.

GOS, 1999. National Development Strategy (NDS). Vision 2022 – Key Macro and Sectoral Strategies. Mbabane.

GOS, 2004. Estimates 2004-2007, & previous. Mbabane.

GOS, 2003. Budget Outlook Paper 2004-07. Mbabane.

GOS-Central Statistical Office, 2003. Annual Statistical Bulletin 1999, & previous. Mbabane.

GOS-Central Statistical Office, 2004. Swaziland Annual Agricultural Survey 2001-2002, & previous. Mbabane.

GOS-MEPD, 1998. Development Plan 1998/99-2000/01. Economic Planning Office. Mbabane.

GOS-MEPD, 2002. Prioritised Action Programme on Poverty Reduction. Mbabane.

GOS-MHUD, 1996. Swaziland National Physical Development Plan. Mbabane.

GOS-MOAC, 2002. National Forestry Programme. Mbabane.

GOS-MOAC, 2003. Livestock Census 2002; updates & previous. Mbabane.

GOS-MOAC, 2003. The National Drylands Development Programme (NDDP) for Swaziland. With support from UNDP and prepared by Environmental Consulting Services. Mbabane.

GOS-MOAC, 2004. Sectoral Development Programme. Mbabane.

GOS-MOAC/Federation of Swaziland Employers/UNAIDS, 2002. The Impact of HIV/AIDS on Agriculture and the Private Sector. Jubilee Printers, Matsapha.

GOS-MOF, 2003. Medium Term Budget Review. Mbabane.

GOS-Public Policy Coordinating Unit, 2003. Millennium Action Programme 2003. Mbabane

IFAD, 2001. Lower Usuthu Smallholder Irrigation Project – Phase i. Draft Appraisal Report.

IMF, 2004. <http://imf.org/external/country/SWZ/index.htm>

Knight Piésold, 1997. Government of Swaziland: Water Sector Situation Report. Knight Piésold Consulting Engineers, Mbabane.

Lankford, B., 2001. The Rise of Large-scale Formal Smallholder Irrigation Schemes; An Appropriate Solution for Rural Livelihoods and Agricultural Production? Issue Paper for Swaziland, School of Development Studies, University of East Anglia, UK.

Swaziland Cotton Board, 2003. Annual Report and Accounts 2002-03, & previous. Mbabane.

Swaziland Sugar Association, 2003. Annual Report 2002-03, & previous, & unpublished updates. Mbabane.

U.S.Govt/Dept. Army, Omaha District Corps of Engineers, 1981. Swaziland. Water and Related Land Resources Framework Plan.

UNAIDS, 2003. AIDS Epidemic Update, December 2002, Joint United Nations Programme on HIV/AIDS (UNAIDS) and the World Health Organization, Geneva, Switzerland.

UNDP, 1970. Swaziland. General Plan for Development and Utilization of Water Resources.

UNDP, 2003. HDI Index. [http://www.undp.org/hdr2003/indicator/cty\\_f\\_SWZ.html](http://www.undp.org/hdr2003/indicator/cty_f_SWZ.html). Volume I: Main Report.

World Bank, 2000. Swaziland - Reducing Poverty Through Shared Growth. Human Development Group, Eastern and Southern Africa. Report No 19658-SW. Washington, D.C.

World Bank, 2004. Country at a Glance Tables. <http://www.worldbank.org/data/countrydata/countrydata.html>

**ANNEX 1: GOVERNMENT LINKAGES TO CAADP**

## Government Investment Programme

Relevant government investment programmes have been selected from the following documents: Development Plan 1998/99 – 2000/01 (GOS-MEPD, 1998), the Millennium Action Programme 2003 (GOS-Public Policy Coordinating Unit, 2003), Medium Term Budget Review (GOS-MOF, 2003), Government of Swaziland Estimates 2004-2007 (GOS, 2004), and MOAC Sectoral Development Programme (GOS-MOAC, 2004). The following tables show an overview of the government investment programme and the main activities and interests of co-operating partners.

Table 11: Overview of the government investment programmes

Sector/Policy/Activity	Potential Relevance to CAADP Pillars				
	1	2	3	4	5
Lower Usuthu Small-holder Irrigation Development (MOAC & MNRE)	x				
Komati Downstream Development (MOAC & MNRE)	x				
Lavumisa Irrigation Development & Expansion (MOAC)	x				
Dairy Development Programme (MOAC) (proposed)			x		x
Poultry Breeding and Hatchery (MOAC) (planned)			x		x
Piggery Development Programme (MOAC)					x
Community Natural Resources Management Committees (MOAC)					x
Research into suitable Maize Varieties & Leguminous Crops (MOAC)				x	
Rehabilitation and Expansion of Government Facilities (MOAC)				x	
Micro-projects & Small-scale Development Projects (MEPD)			x		
National Water Master Plan & Water Management Authority (MNRE)	x				
Rural Water Supply Phase 12, including Sanitation (MNRE)			x		
Road Upgrading with special emphasis on Rural Areas (MPWT)		x			
Tourism Development in Chiefdoms in Rural Areas (MTEC)			x		x
Biodiversity Conservation and Participatory Development (MTEC)					x

Table 12: Activities/Interest of Major Co-operating partners

Co-operating partner	Area of Interest/Project	Potential Relevance to CAADP Pillars				
		1	2	3	4	5
<b>European Union</b>	Human resource development & education			x		
	Lower Usuthu Smallholder Irrigation Project (LUSIP)	x				
	Micro-community projects, incl. irrigation	x		x		
	Private sector/tourism/trade/economic integration		x	x		
	Environmental and conservation support					x
<b>United Nations</b>	Food security			x		
	Dryland development & environmental protection	x				x
	Food production at household level/organic production	x		x		
	Good governance/policy support					x
<b>Republic of China (Taiwan)</b>	Agriculture	x				
	Roads & rural development		x			
	Small enterprises			x		
<b>United Kingdom</b>	Education & enterprise development			x		
	Environmental protection and management					x
	Community development in rural areas			x		x
<b>Japan</b>	Rural water supply			x		

**ANNEX 2: POVERTY REDUCTION STRATEGY PROJECTS: PRIORITISED ACTION PROGRAMME**

<b>PROJECT TITLE</b>	<b>ESTIMATED COST (US\$)</b>	<b>RELATED CAADP PILLAR</b>
<b>A. HIV/AIDS AND POVERTY</b>	<b>300,000</b>	
Assessment of the nature and magnitude of the effects of HIV/AIDS on the vulnerable	300,000	
<b>B. AGRICULTURAL PRODUCTION AND FOOD SECURITY</b>	<b>10,886,250</b>	
Inkhundla-level Tractor Support Scheme	2,200,000	3
Promotion of Traditional Foods and Open Pollinated Seed Varieties	191,250	3
Promotion of Organic Production Methods	350,000	3
Small-scale Irrigation Development Programme	3,125,000	1, 3
Government Farms-Employment Creation Project	98,750	1
Promotion of SNL Sharecropping	145,000	3
Food Storage Technology Improvement Project	500,000	3
Food Processing Promotion Project	342,500	3
Open Market Infrastructure Project	800,000	2
Study for the Commercialisation of Goats and Free-range Chickens	37,500	4, 5
Project for the Production and Marketing of Goats	244,375	5
Project for the Production and Marketing of Free-range Chickens	194,375	5
Environmental Rehabilitation Programme at the Chieftdom level	1,612,500	1
Diptank level Pilot Sustainable Grazing Management Project.	1,045,000	1, 5
<b>C. EMPLOYMENT</b>	<b>3,420,000</b>	
Employment-Focused Investment Programme	300,000	
Small and Medium-Sized Enterprise (SME) Development Project	240,000	
Employment Re-training Programme	380,000	
Informal Sector Support Programme	500,000	
Rural Industrialisation Policy Project	1,360,000	(2)
Rural Enterprise Development Programme	640,000	(3)
	<b>7,787,500</b>	
<b>D. BASIC NEEDS</b>		
Improving Food Security among the vulnerable	2,300,000	3
Support for Basic Needs	837,500	(3)
Development of skills for the income generating projects.	1,650,000	
Support for Orphans	3,000,000	
	<b>37,863,500</b>	
<b>E. EDUCATION AND ILLITERACY</b>		
Improving the Quality of Basic Education in Rural Areas	20,000,000	
Study for the Implementation of Universal Primary Education	55,000	
Introduction of Practical Arts in Basic Education	2,063,500	
Equipping Schools with Equipment for Practical Arts (100 schools with 2 labs each)	14,000,000	
Strengthening of the Rural Education Centres	1,700,000	
Development of a Geographical Information System	45,000	
	<b>1,200,000</b>	
<b>F. HEALTH AND POVERTY</b>		
Review of Public Health	1,200,000	
	<b>3,054,875</b>	
<b>G. INSTITUTIONAL ARRANGEMENTS AND CO-ORDINATION</b>		
Setting up of a monitoring and evaluation mechanism	1,765,000	
Institutional Capacity Building	1,289,875	
<b>TOTAL</b>	<b>64,512,125</b>	

**ANNEX 3: NATIONAL DEVELOPMENT STRATEGIES FOR AGRICULTURE (EXTRACT)*****Food Security***

- Promote production of crops and livestock for domestic and international markets by both small and large-scale farmers.
- Encourage diversification of agricultural production whilst intensifying production of high valued crops and stock.
- Promote food management, processing and storage techniques at both national and household level and facilitate optimal distribution of food within households, communities and regions.
- Monitor progress of government food security programmes, evaluate their impacts, and revise programmes according to agricultural production.
- Participate in the development of a food security risk mapping, identify vulnerable areas and promote appropriate packages for the different areas.

***Employment and legislation***

- Promote labour-intensive over capital-intensive solutions to technical problems in agriculture where possible, so as to expand the number of employment opportunities.
- Establish and expand agro-processing plants to enhance value added and employment in agro-based products.
- Reduce the level of risk associated with farming by promoting agricultural insurance.
- Develop irrigation infrastructure in support of all commercially grown irrigated crops and charge for the water at cost-recovery levels.
- Re-organise national services such as agricultural research, early warning system, extension with a view of making these services more accessible and responsive.
- Enhance private sector involvement in uplift of SNL farmers from subsistence to commercial farming whilst maintaining economic efficiency in production.
- Increase the access of agricultural producers to credit.
- Review and update all agriculturally related legislation to be compatible with international conventions and policy requirements.

***Marketing and trade***

- Promote production and marketing of horticultural crops, livestock including small ruminants.
- Promote rural markets, assembly markets and produce collection points, whilst developing capacity for local expertise to produce finished goods for sale in the domestic, regional and international markets.
- Improve market infrastructure to provide market information and facilitate its dissemination.
- Define roles of the different structures involved in marketing, handling and storage of food crops and animal products and strengthen institutions to be more effective.
- Monitor and harmonise livestock commodity markets: their availability, efficiency and accessibility by livestock producers.
- Formulate policies regarding importation and exportation of agro-based and agricultural products in order to assure a safe balance of domestic supply and demand.

- Facilitate the construction of communication infrastructure and networks and develop one-stop centres for exporters where they can obtain all relevant information.
- Develop export opportunities, particularly in the Southern African region.
- Regulate the importation and exportation of livestock and their products in order to assure a safe balance of domestic supply and demand.

#### ***Land use and tenure***

- Develop a land allocation policy that will ensure that both men and women have equal access and ownership opportunities especially on SNL.
- Formulate an effective mechanism for settling land disputes on Swazi Nation Land.
- Re-orient agricultural production in accordance with the agro-ecological zones.
- Strengthen the afforestation and reforestation programmes with particular emphasis on addressing fuel deficit areas and degraded landscapes.
- Address with greatest urgency the necessary institutional arrangements in order to eliminate the negative aspects directly affecting land use.
- Bring about land use changes for highly eroded land and land with arable potential currently under grazing or forest.
- Intensify the efforts to modify the land tenure system such that it is consistent with increased production and employment.
- Provide solutions for a more rational use of the land in the rural sector and guide the irreversible shift from rural to urban land use by an appropriate land policy.
- Develop a land use policy giving considerations to economic, environmental, demographic and social concerns.
- Revise and consolidate conservation legislation.

#### ***Livestock***

- Streamline livestock marketing activities so as to relieve the pressure on land.
- Determine livestock activities to be carried out in the different ecological zones on the basis of climatic conditions. Discontinue grazing in Highveld and Upper Middleveld where there is a bigger potential for crop production and shift grazing to areas with low crop production potential (Lower Middleveld and Lowveld).
- Promote proper livestock management and facilitate the commercialisation of the livestock sector, especially on SNL.
- Encourage adequate livestock and pasture research.
- Promote group livestock community groups so as to internalise the social costs of using land.

#### ***Empowerment and community participation in rural development***

- Increase the budget allocation for rural development.
- Include community participation as a primary component in natural resource management and provide support.
- Explore possibilities of smallholder game farming, agro-tourism, eco-tourism and cultural-tourism.
- Promulgate legislation to encourage investment on SNL.
- Design effective methods to support members of the special groups to gain access to income generating opportunities.

- Develop entrepreneurship and enhance access to special credit programmes and equity financing to facilitate small business start up in rural areas.
- Integrate gender issues into mainstream research and policy initiatives in the field of rural development.
- Attract direct investment in rural areas and ensure that there is no urban bias in the provision of infrastructure.
- Improve and decentralise administrative powers and authority between local government and central government