SWAZILAND

PROPOSAL FOR A GRANT OF US$ 1 MILLION FOR EMERGENCY HUMANITARIAN RELIEF ASSISTANCE FOR DROUGHT AFFECTED POPULATIONS

SARC/GECL
June 2016
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### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>NDMA</td>
<td>National Disaster Management Agency</td>
</tr>
<tr>
<td>NERMAP</td>
<td>National Emergency Response Mitigation and Action Plan</td>
</tr>
<tr>
<td>IA</td>
<td>Implementing Agency</td>
</tr>
<tr>
<td>LOA</td>
<td>Letter of Agreement</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>SARC</td>
<td>South Africa Resource Centre</td>
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<tr>
<td>SRF</td>
<td>Special Relief Fund</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>VAC</td>
<td>Vulnerability Assessment Committee</td>
</tr>
<tr>
<td>WFP</td>
<td>World Food Program</td>
</tr>
<tr>
<td>OUTCOMES</td>
<td>PERFORMANCE INDICATORS</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Improved food consumption over assistance period for targeted households.</td>
<td>Household food consumption score</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Food distributed in sufficient quantity and quality to target groups (women, men, boys and girls) under safe, accountable and dignified conditions</td>
<td>Number of food insecure people benefiting from Bank support, disaggregated by activity; beneficiary category, sex, as % of planned</td>
</tr>
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**KEY ACTIVITIES**

**Component 1:** Procurement of food commodities

**Component 2:** Associated costs (transport, handling, storage and distribution)

**Component 3:** WFP administrative fees

**Inputs:**

- Component 1: US$ 650,625
- Component 2: US$ 283,954
- Component 3: US$ 65,421
1. BACKGROUND AND JUSTIFICATION FOR EMERGENCY ASSISTANCE

1.1 Background – Food Insecurity and Emergency Needs

1.1.1 The El Niño phenomenon, officially declared in March 2015, has resulted in below-average rainfall, spurring poor forecasts for crop production and food security throughout the southern Africa region and in Swaziland. The current agricultural season (October 2015-April 2016) has the lowest recorded rainfall in the SADC region in the past 35 years related to El Niño conditions. Between October 2015 and February 2016, Swaziland received 42 per cent lower rainfall than the same period in the previous season, and 51 per cent lower compared to 2013/2014. The first rains allowing some agricultural activities were received only in December 2015, and were below average.

1.1.2 The food security situation in Swaziland has declined alarmingly for the second year in a row. The poor 2014/15 cropping season in Swaziland disrupted a five-year average of steady progress as it was 6 percent lower than the five-year production average and 31 percent lower than the harvest experienced in 2013/14. The preliminary results of a multi-sectoral rapid assessment, conducted in February 2016 by the Government of Swaziland and stakeholders, indicate that the total maize production for the 2015/2016 agricultural season is expected to be about 33,500 tons, representing a 64 per cent reduction from the 2014/2015 production.

1.1.3 As the 2014/2015 harvest was also below average, the impacts of the current drought are therefore compounding an already fragile situation of depleted water and soil moisture reserves, poor grazing conditions, and poor harvests. The effects of the drought are expected to last at least until the 2017 harvest.

1.1.4 In July 2015 the Swaziland Vulnerability Assessment report, corroborated by the Crop and Food Security Assessment (CFSAM 2015) showed that about 50,000 people were in need of food assistance at the time of the assessment, and levels of food insecurity would increase up to 200,900 people as the 2015 lean season (October 2015 to April 2016) progressed. Due to the severe El Niño-induced drought, the food security situation is estimated to be even worse for the 2016/2017 lean season and the Swaziland Vulnerability Assessment Committee (VAC) has projected that a minimum of over 300,000 people (about 25 percent of the population) are currently affected by the drought and in need of food assistance. These projections were also confirmed by the multi-sectoral rapid assessment, conducted in February 2016 by Government and stakeholders.

1.1.5 Access to markets and affordability of food has also been impacted. About 44 per cent of people interviewed in the rapid assessment indicated having to incur extra costs due to the need to travel further to buy food as a result of decreased availability at local markets, in addition to the increase in food prices. As a net importer of food, Swaziland is in fact also vulnerable to increase in food prices in the region and the effects have already started to manifest. In January 2016, the National Maize Corporation (NMC) had to increase the official price of maize by 66 per cent, due to increases in South Africa’s market.

1.1.6 Assessments show that households are resorting to extreme coping mechanisms including reducing the amount of food they eat, borrowing food, and eating less preferred or less expensive foods when possible. In areas that experience frequent food insecurity, such as Lubombo and Shiselweni, the drought has reversed trends of improving food security over the past five years and, following last year’s poor harvest, people have fewer assets left. However, other areas, such as Hhohho region, which do not normally experience dry spells, and therefore have lower coping mechanisms, are also being closely monitored.
1.1.7 Lubombo is the most affected region, with 46 percent of people food insecure according to the Swaziland VAC projections and the preliminary results of the rapid assessment. In other regions, food insecurity is projected between 23 and 27 per cent, and all regions have pockets with high levels of food insecurity and severely affected populations. Lubombo and Shiselweni regions have also highest rates of poverty with 69 percent of the population living under the national poverty line, compared to the 63 percent nationally, limiting already vulnerable people’s ability to cope with additional shocks brought on by the drought.

1.1.8 The precarious food security situation is also exacerbated by this year’s limited economic performance of the country, forecasted significant reduction of revenues from the Southern Africa Custom Union (SACU), and the depreciation of the South Africa’s Rand to which the Swaziland Lilangeni is pegged at par.

1.2 Justification for Emergency Assistance

1.2.1 Existing evidence has already highlighted increased food insecurity affecting a minimum of over 300,000 people (25 per cent of the population) through the 2016/17 lean season. Given the extremely low agricultural production forecasts and the effects of an already difficult 2014/2015 season, Swaziland is currently faced with a protracted lean season with drought affected population already in need.

1.2.2 Provision of food assistance is critical in saving lives and protecting the livelihoods of the most severely drought-affected population. The February 2016 rapid assessment showed that affected households have already started resorting to extreme coping mechanisms, response is needed to meet the needs of the most vulnerable. The rapid assessment shows that households have started to reduce the amount of food they eat (68 per cent of people indicated they have reduced their number of meals), borrow food, and 63 percent of people interviewed indicated reducing the diversity in their diet by limiting the types of foods consumed.

1.2.3 The National Emergency Response Mitigation and Adaptation (NERMAP) launched in February 2016 by the Government of Swaziland, indicate the need to target 300,000 people with emergency food assistance. WFP emergency support aims to provide food assistance to a portion of the affected population included in the national target, as a complementary effort to the Government of Swaziland and other partners. Utilizing the Bank Grant, food assistance will be provided for 15,165 beneficiaries for a period of seven months.

1.2.4 For the relief assistance, the Government of Swaziland through WFP proposes to purchase the following food-basket commodities; maize, pulses and oil. Due to urgency of the need, most cost effective procurement options with minimized lead times will be taken into consideration, prioritizing regional purchase. The Bank Grant will cover the purchase of 1,062 mt of Maize, 265 mt of pulses and 96 mt of Oil.

1.1.6 This proposal for emergency assistance to drought affected population due to the impact of erratic and late rains during the agricultural season 2015/2016 is justified as it fulfills the three criteria required to qualify for Bank Group assistance in that: (i) the emergency situation is of a scale which is clearly beyond the capacity of the Government of Swaziland to handle alone; (ii) the proposed activities can be carried out expeditiously and effectively within the required time frame; and (iii) the emergency relief assistance aims at restoring a degree of normalcy in both the social and economic life of the affected populations as quickly as possible. The proposal is thus in compliance with the provisions of the Revised Policy Guidelines and Procedures for Emergency Relief Assistance, and General Regulations of the Special Relief Fund (ADB/BD/WP/2008/211/Rev.1)
2. **OVERVIEW OF THE APPEAL FOR EMERGENCY ASSISTANCE**

2.1 Swaziland is facing a major food crisis due to the impact of dry weather, and late and reduced rains in the agricultural season 2015-2016 caused by the El Nino phenomenon. This has contributed to an increasingly vulnerable situation, affecting over a quarter of the Swazi population and following an already low harvest and increased food insecurity in the previous season. As a result, on 18th February 2016, the Government of Swaziland declared a state of emergency due to the drought and launched the National Emergency Response Mitigation and Adaptation Plan (NERMAP). According to the NERMAP, US$23 million is required to respond to immediate needs and $57 million required for medium to longer term actions. The NERMAP includes interventions in various sectors (agriculture and food security, water and sanitation, social protection, health and nutrition, and education). The needs for food assistance are estimated at $37 million. The Government of Swaziland has committed about $16.5 million for both immediate and longer term interventions, including SZL 110 million (or about $7 million for food assistance). However, resources are limited compared to the scale of needs and the Government has requested financial support to donors and development partners.

2.2 The Government of Swaziland, through the Ministry of Finance, therefore submitted this funding proposal to the Bank. The Government aims to use this funding to contribute to cover the funding gap in the national emergency response. This contribution will cover the food commodity requirement from June up to December 2016 for 15,165 drought affected people, consisting of 1,062 mt of Maize, 265 mt of pulses and 96 mt of Oil. The requested funding will be received by the UN World Food Programme (WFP) as the designated agency to implement this relief operation on behalf of the Government of Swaziland. The relief operation implemented by WFP will target over 70,000 people, during this initial period up to December 2016, and therefore the Bank’s grant will contribute towards achievement of this target.

3. **THE PROPOSED EMERGENCY ASSISTANCE OPERATION**

3.1 **Objectives and Description of the Emergency Assistance**

3.1.1 The objective of the proposed Bank Group Emergency Relief Assistance to the Kingdom of Swaziland is to contribute to the on-going efforts of the Government and other humanitarian partners to save lives and protect livelihoods in the current crisis situation caused by the drought being experienced by the country. This objective will be achieved through the provision of emergency food relief.

3.1.2 The Bank will contribute US$ 1 million in response to the appeal of the Government of the Kingdom of Swaziland. Due to limited resources, and in order to ease the management of the relief assistance, the Bank contribution will be limited to the Food Security component of the National Emergency Response Mitigation and Adaptation Plan (NERMAP).

3.1.3 The proposed Emergency Relief Assistance Operation, will be funded from the Bank’s Special Relief Fund (SRF). The contribution will be used to procure cereals (maize) pulses, and oil and will cover the associated costs related to the delivery of food supply, including transportation from point of purchase to Swaziland and onward transportation for distribution to beneficiaries, storage, handling, monitoring and distribution. It will also cover the management cost of the executing agency.

3.1.4 The Government has selected WFP as the implementing agency for this operation, on the basis of its vast experience and readiness to implement food assistance programmes in the country. WFP will provide the selected food items to a targeted vulnerable group of 15,165 beneficiaries from June to December 2016 (complementing contributions from other donors to reach a total of 100,000 beneficiaries under WFP emergency operations programme, as a contribution to the national target of 300,000 people to be assisted). The assistance will target most vulnerable communities in the Lubombo and Shiselweni regions. Geographic targeting may be adjusted based on complementarity with food
assistance activities implemented by government and other partners under the NERMAP, and upon further consideration of the preliminary results of the drought needs assessment.

3.1.5 The Government of Swaziland, through the National Disaster Management Agency (NDMA) and Deputy Prime Minister’s Office (DPMO), will coordinate the drought response according to the NERMAP. Given the large scale of the needs against limited resources and operational capacities, the Government has requested support for implementation of the emergency response. WFP will therefore work in close collaboration with the Government and other stakeholders.

3.1.6 WFP has the capacity to plan, operate and launch emergency food assistance on the proposed scale. WFP will establish partnerships with NGOs to support food assistance implementation and monitoring. WFP already has a field presence in all drought-affected areas through other projects.

3.1.7 Geographic targeting of food distribution will be done in coordination with NDMA and other partners providing assistance through the emergency response. Household eligibility for food assistance in affected areas will be based on the food distribution targeting criteria developed by the NDMA and stakeholders. The criteria take into account household-level demographic and socioeconomic factors.

3.1.8 WFP and its cooperating partners will work with communities for the establishment of gender-balanced food management committees, and promote women’s participation in leadership positions. Staff of WFP and cooperating partners will be trained in basic principles for prevention of sexual exploitation and abuse in humanitarian assistance. A complaint mechanism will be established and it will involve women and representative of most disadvantaged groups.

3.2 Cost and Source of Finance

The total cost of the Bank’s emergency assistance to the Kingdom of Swaziland is estimated at US$ 1,000,000. The cost breakdown is attached in annex 1. The funds provided by the Bank are restricted and earmarked for the purposes of urgent humanitarian assistance to the affected populations.

3.3 Implementation Arrangements and Schedule

3.3.1 According to the Bank’s Revised Policy Guidelines and Procedures for Emergency Relief Assistance and General Regulations of the Special Relief Fund (ADB/BD/WP/2008/211/Rev.1 and ADF/BD/WP/2008/173/Rev./1) (the “Guidelines”), implementation of emergency humanitarian relief assistance will be entrusted to a suitable Implementing Agency to be selected from within UN specialized agencies which are operating at field level, competent Government institutions, or credible NGOs with a good track record of implementing emergency operations. The Government has selected the World Food Program (WFP) as the Implementing Agency (IA) for this operation by providing food to the affected communities. WFP has a very active and long standing operational presence in the Kingdom of Swaziland. Thus, it has the necessary logistical infrastructure and capability to implement the planned activities (i.e. purchase of food items, transportation, distribution and monitoring) in a timely and effective manner, in collaboration with the Government and other humanitarian partners, including NGOs.

3.3.2 Agreement: A tripartite letter of Agreement will be signed between the Bank, the Government of the Kingdom of Swaziland and WFP outlining the terms and conditions for the grant, responsibilities, and obligations of each party. The administrative fee paid to WFP shall not exceed 7% of the total amount of the grant.
3.4 **Procurement and Disbursement Arrangements**

**Procurement**

3.4.1 The Bank’s resources will procure 1,423 mt of food items. The World Food Program (WFP) is the Implementing Agency (IA) of this operation. WFP has a track record of procurement and distribution of food items using its unique procurement procedure. It has been assessed to have a very active and long standing operational presence in the Kingdom of Swaziland, with the necessary logistical infrastructure and capability to implement the procurement and distribution of such commodities in a timely and effective manner.

3.4.2 Article 3.8 of the Revised Policy Guidelines and Procedures for Emergency Relief Assistance requires the use of Bank’s Rules and Procedures in the implementation of the programme. In accordance with Procurement Policy for Bank Group Funded Operations approved in October 2015, notably paragraph 5.3(e) and 6.5, WFP being an International Organization under the UN system will implement the procurement and distribution of the goods using its procurement rules and procedure. The process should guarantee a competitive price of the products. There will be a control mechanism in the MOU between the Government and WFP, ensuring that the goods effectively reach the beneficiaries in the quantity and quality required. The Bank, through a provision in the Protocol of Agreement, may exercise a post review of this acquisition process.

3.4.3 **Duration:** The Guidelines and Procedures stipulate that emergency humanitarian relief assistance is typically a short-term operation, lasting a few months. Consequently, a period of seven months from the date of approval of the memorandum has been proposed for the execution of this emergency relief assistance. Funds not disbursed after this period will be cancelled.

**Disbursement**

3.4.4 The funds will be disbursed in one single tranche, through direct payment into an account, the details which will be provided by WFP. The conditions for disbursement will be: (i) signature of the said Tri-partite Letter of Agreement (LoA); and (ii) submission by WFP of the details of the bank account that will receive the proceeds of the grant.

3.5 **Reporting, Supervision and Auditing**

3.5.1 WFP provides annual Standard Project Reports (SPRs) to all donors through its website. A final report, containing an operational and a financial section, is also provided upon completion of the operational and financial closure of the project. This final report should be submitted to the Bank within six months after the completion of the programme. The SPR provides information on the use of the resources and the results obtained. Furthermore, WFP will submit to the Bank, at the end of the operation, a written confirmation from a Senior Officer that WFP has complied with the terms of the LoA, and that the resources were utilized for the purpose they were granted. The Bank’s South Africa Resource Centre (SARC) will monitor the execution of this operation and submission of the required reports by WFP.

4 **CONCLUSIONS, RECOMMENDATIONS AND CONDITIONS FOR DISBURSEMENT**

4.1 **Conclusions and Recommendations**

4.1.1 The Kingdom of Swaziland is facing increased and severe food insecurity due to the drought caused by the El Nino phenomenon. This has prompted the Government to declare a state of emergency and request for support for relief assistance to the international community. The National Emergency Response Mitigation and Adaptation Plan, produced by the Government indicates that the Kingdom of

5
Swaziland needs emergency food aid, amounting to USD$37 million under the food assistance component. The funding gap which will respond to the food aid needs of the most vulnerable people during this difficult food crisis is currently estimated at US$ 29 million. The Bank Grant will contribute towards the reduction of the gap.

4.1.2 It is recommended that the Board of Directors approves the Kingdom of Swaziland Emergency Relief Assistance request of US$ 1 million from the SRF, for the purpose of procuring, transporting and distributing food items to the affected population.

4.2 **Conditions for Disbursement**
The grant resources will be disbursed in one tranche, subject to the following conditions:

i) Signature of the tripartite LOA by the Bank, the Kingdom of Swaziland, and WFP

ii) Communication by WFP to the Bank of the details of WFP’s bank account to which the grant resources will be transferred.
### Annex I – Activities and Budget over a the seven month implementation period (June – December 2016)

**SWAZILAND - SRF proposal**

<table>
<thead>
<tr>
<th>Feeding Category</th>
<th>Planned beneficiaries</th>
<th>Maize (MT)</th>
<th>Pulses (MT)</th>
<th>Oil (MT)</th>
<th>Total (MT)</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency food assistance</td>
<td>15,165</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Food Requirement (mt)</strong></td>
<td>Total (in MT)</td>
<td>1061.55</td>
<td>265.388</td>
<td>95.54</td>
<td>1422.48</td>
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<tr>
<td>Commodity Cost (Price: USD$ per MT)</td>
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<td>391</td>
<td>650</td>
<td>660</td>
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<tr>
<td><strong>Total Commodity Cost (USD)</strong></td>
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<td>415,066</td>
<td>172,502.20</td>
<td>63,056.40</td>
<td>650,624.60</td>
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<tr>
<td><strong>Associated Costs:</strong></td>
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<td></td>
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<td>External Transport (Ocean transport for commodities procured overseas/outside region, i.e. Oil)</td>
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<td>5,637</td>
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<td>Landside Transport Storage and Handling (LTSH)</td>
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<td>133,845</td>
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<td>Food quality assurance/Superintendence</td>
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<td>7,112</td>
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<td>Distribution costs (ODOC&amp;DSC)</td>
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<td>137,360.40</td>
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<td>Indirect Support Cost (Grant Administrative Fee) (7%)</td>
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<td>65,421</td>
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<tr>
<td><strong>Total Budget (USD)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,000,000</td>
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</tbody>
</table>

**Legend notes:**

1. LTSH: Costs of transporting the food commodities from point of purchase to final delivery points. Except ocean shipping costs/which are in External transport budget line. Costs of handling, storing, reconditioning, and generally maintaining the food in good condition.

2. Distribution Costs: These are comprised of: 1) Other Direct Operational Costs: cost of distribution of food to beneficiaries through services of NGO cooperating partner; 2) Direct Support Cost: WFP in country operational costs directly linked to distribution of food.
Annex II – Letter for the Government of Kingdom of Swaziland

THE KINGDOM OF SWAZILAND

Ref: Fin2/001/1/64
Kennedy Mbekane
Officer in-Charge
African Development Bank
Southern Africa Resource Centre
339 Witch Hazel Avenue
Highveld Extension 78 Eco Park
Centurion 0157-Private Bag X1262
Silverton Pretoria
South Africa

04 April 2016

Dear Sir,

SWAZILAND: REQUEST FOR EMERGENCY ASSISTANCE FOR HUMANITARIAN RELIEF TO DROUGHT AFFECTED POPULATION

Swaziland is currently experiencing one of the most severe El Nino induced drought conditions with the lowest rainfall in recent history as well as, acute food and water shortages. The impacts of the drought have compounded an already fragile situation as the country is facing a consecutive year (2015/16) of protracted dry spells evidenced by a drastic decline in maize production, diminished in agribusiness and generalized food insecurity. The Government of Swaziland declared the on-going drought a national emergency in February 2016 and also launched the National Emergency Response, Mitigation and Adaptation Plan (NERMAP) 2016-2017. The NERMAP estimates that about 300,000 people (a quarter of the population) are in need of immediate food assistance, while maize production is projected to drop by an astonishing 64 percent in 2016 when compared to last year. The effects of the drought are expected to last at least up to the next harvest in March-April 2017.

The government has committed substantial resources towards the drought response, however more resources are required to fully meet the needs. The Government of the Kingdom of Swaziland therefore requests the African Development Bank to support the country in responding to the drought situation through the provision of lifesaving food assistance as articulated in the NERMAP. The food assistance programme supported by the Bank will be implemented by the World Food Programme complementing the efforts of the Government. The objective of this request is to contribute to the on-going efforts of the Government and other humanitarian partners to save lives and protect livelihoods in the current crisis situation caused by the drought being experienced by the country. The funds will allow to reach 15,185 drought affected vulnerable people from June to December 2016.

Attached is a proposal highlighting how the requested funding will be utilized to assist the most vulnerable Swazis.