

AFRICAN DEVELOPMENT BANK



PROJECT: PUBLIC PROCUREMENT TECHNICAL ASSISTANCE PROJECT (PPTAP)

COUNTRY: ESWATINI

PROJECT APPRAISAL REPORT

July 2022

Technical Assistance Team	Task Manager: Chongo Chitupila, Procurement Officer, RDGS/SNFI.3 Co-Task Manager: Amilcar Bilale, Regional Procurement Coordinator, RDGS Team Members: Mr. Saihou Kinteh, Principal Procurement Operations Officer, SNFI Ms. Patricia Makwebo, Senior Financial Management Specialist, RDGS Mr. Bothwell Nyajena, Senior Country Economist, RDGS Ms. Evelynne Change, Chief Governance Officer, RDGS Ms. Imen Chorfi, Country Procurement Officer, RDGS Ms. Salmina Merique Nhavoto Senior Gender Officer, RDGS Mr Daniel Ouma Ogol, Social Safeguards and Compliance Officer, RDGS Mr. Eric Bakilana, Principal Legal Counsel, PGCL.1
	Regional Director: Ms. Leila Mokaddem, Director General Sector Director: Mr. Frank Mvula, SNFI Country Manager: Mr. Kennedy Mbekeani, DDG, CM Division Manager: Mr. Clement Ahossi, SNFI.3
Peer Reviewers	Mr. Emmanuel Chisesa, Senior Procurement Operations Officer, SNFI.3 Mr. Godfrey Kaijage Principal Financial Management Officer, RDGS Mr. Mark Eghan, Principal Agricultural Economist, AHAI.1

Table of Contents

DRAFT PROJECT APPRAISAL REPORT	i
ACRONYMS AND ABBREVIATIONS	iii
CURRENCY EQUIVALENTS	iv
FISCAL YEAR	iv
WEIGHTS AND MEASURES	iv
GRANT INFORMATION	iv
1. INTRODUCTION	1
1.1 Background	1
1.2 Project Objectives	3
1.3 Sector Department responsible for preparing the request	3
1.4 Justification for the use of resources	4
2. PROJECT DESCRIPTION	7
2.1. Description of project activities for which resources are requested	7
2.2. Description of expected outputs	8
3. COST ESTIMATES AND FINANCING PLAN	9
4. IMPLEMENTATION ARRANGEMENTS	10
5. PROCUREMENT ARRANGEMENTS	12
6. FINANCING ARRANGEMENTS	13
7. ENVIRONMENTAL AND SOCIAL SAFEGUARD	13
8. GENDER	14
9. LEGAL INSTRUMENTS AND AUTHORITY	14
10. CONCLUSIONS AND RECOMMENDATIONS	15

LIST OF ANNEXES

- Annex I: MIC Grant Letter of request
- Annex II: Indicative Implementation Plan
- Annex III: Procurement Arrangements and Outline of the Procurement Plan
- Annex IV: Terms of Reference
- Annex V: Bank Group's Ongoing Project Portfolios
- Annex VI: Overview of Active Portfolio in Eswatini

ACRONYMS AND ABBREVIATIONS

AfDB	African Development Bank
CFRA	Country Fiduciary Risk Assessment
CPPR	Country Portfolio Performance Review
CSOs	Civil Society Organizations
CSP	Country Strategy Paper
e-GP	Electronic Government Procurement
EOI	Expressions of Interest
ESPPRA	Eswatini Public Procurement Regulatory Authority
FM	Financial Management
GDP	Gross Domestic Product
GoE	Government of the Kingdom of Eswatini
GPN	General Procurement Notice
IC	Individual Consultant
IT	Information Technology
LCS	Least Cost Selection
MAPS	Methodology for the Assessment of Procurement Systems
MICTAF	Middle Income Countries Technical Assistance Fund
PFM	Public Financial Management
PMP	Procurement Methods and Procedures
RDGS	Regional Development, Integration and Business Delivery - South
SBD	Standard Bidding Documents
SD	Solicitation Documents
TA	Technical Assistance
TORs	Terms of Reference
UNDB	United Nations Development Business online
UA	Unit of Account
USD	United States Dollar
SZL	Swazi Lilangeni

CURRENCY EQUIVALENTS

(July 2022)

1 Unit of Account (UA) = 1.35 USD

1 UA = 21.10 SZL

1 USD = 20.11 SZL

FISCAL YEAR

1 April – 31 March

WEIGHTS AND MEASURES

1 metric ton = 2204 pounds (lbs)

1 kilogram (kg) = 2.200 lbs

1 meter (m) = 3.28 feet (ft)

1 millimeter (mm) = 0.03937 inch

1 kilometer (km) = 0.62 mile

1 hectare (ha) = 2.471 acres

GRANT INFORMATION

Client Information

GRANT RECIPIENT: The Kingdom of Eswatini

EXECUTING AGENCY: Ministry of Finance

IMPLEMENTING AGENCY: Eswatini Public Procurement Regulatory Authority
(ESPPRA)

Financing plan

Sources	Amount	Instrument
AfDB	UA 110,000	MIC Trust Fund
GoE	UA 20,000	ESPPRA
Total Cost	UA 130,000	

Time frame (expected)

Project Appraisal	May 2022
Grant Approval	July 2022
Effectiveness	September 2022
Completion	September 2024
Last Disbursement	December 2024

RESULTS FRAMEWORK					
A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: Public Procurement Technical Assistance Project, P-SZ-KZ0-001			COUNTRY/REGION: Eswatini/RDGS		
PROJECT DEVELOPMENT OBJECTIVE: The overarching development objective of the Project is to support the development of a transparent, effective and accountable public procurement system through strengthening the capacity of institutions in charge of public procurement					
ALIGNMENT INDICATOR (S):					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/AD OA INDICATOR	UNIT OF MEASUREMENT	BASELINE (date)	TARGET AT COMPLETION (date)	MEANS OF VERIFICATION
OUTCOME STATEMENT 1: Improved Procurement Practices					
OUTCOME INDICATOR 1.1: Increased competition in public procurement	<input type="checkbox"/>	% of open tenders to total procurement	30%	50%	ESPRA Procurement reports/ESPRA Annual Reports
COMPONENT A: Assessment of Country Procurement Systems using the MAPS Methodology					
OUTPUT STATEMENT A.1: MAPS Assessment Report Completed					
OUTPUT INDICATOR A.1.1: MAPS assessment report completed and approved by the MAPS Secretariat	<input type="checkbox"/>	Y/N	N	Y	Approval by the MAPS Secretariat
OUTPUT STATEMENT A.2: Recommendations for Procurement Reforms					
OUTPUT INDICATOR A.1.2: Procurement Capacity Development Action Plan (PDAP)	<input type="checkbox"/>	Y/N	N	Y	Maps Assessment Report
COMPONENT B:					
OUTPUT STATEMENT B.1: Procurement Capacity Building					
OUTPUT INDICATOR B.1.1: Training of public officials		Percentage (male/female) at least 30% women	70% (2021)	80% (2024)	Project Quarterly reports
OUTPUT INDICATOR B.1.2: Training of private sector and other stakeholders		Number (male/female) at least 30% women	0 (2021)	50 (2024)	Project Quarterly reports

1. INTRODUCTION

1.1 Background

1.1.1 Eswatini has been stuck in a low growth trajectory over the past two decades and has endured macroeconomic imbalances amidst fiscal challenges. Despite being classified a lower Middle-Income Country (MIC), the country faces significant development challenges, akin to lower income countries including that of endemic poverty, inequalities and high levels of unemployment, particularly among the youth (58.2%). Since 2014, growth averaged less than 2% and the economy has been beset by prolonged drought effects, a weak external environment and a challenging business and investment climate. Capital formation has been small, private investment has been low and declining, while competitiveness has remained stagnant, constrained by among others, old and inadequate infrastructure. The outbreak of the Russian-Ukrainian war in February 2022, in the wake of lingering COVID-19 challenges, has exacerbated the country's challenges in an already fragile recovery process. Eswatini is emerging from the devastating socio-economic consequences of the COVID-19 pandemic which induced negative growth in 2020 (-1.9%) and upended critical socio-economic sectors. The pandemic dealt a heavy blow to an already struggling economy. More so, in June-July 2021, the country endured civil unrest that led to significant infrastructure damage and loss of lives. The civil unrest occurred at a time when the country was recovering from the effects of Tropical Cyclone Eloise in January 2021 which caused extensive damage to infrastructure, particularly roads and bridges. The crises increased government's financial resource needs to rebuild the economy and mitigate the socio-economic impacts of the crises, which occurred at a time of fiscal consolidation aimed at restoring macroeconomic stability and fiscal sustainability. To address these challenges, the Government is implementing a Post COVID-19 Economic Recovery Plan, a complementary blueprint to the National Development Plan (2019-2022) and Strategic Plan for Economic Recovery (2019-2022). The aim of the economic strategies is to restore sustainable and inclusive growth, foster macroeconomic stability and fiscal sustainability and promote private sector development. The Government also launched a SZL 1 billion Reconstruction Fund (about USD 70 million) to mitigate the effects of the civil unrest on business and committed to a national dialogue aimed at finding an amicable solution to the ongoing challenges.

1.1.2 The economic slowdown coupled with a difficult fiscal and cash flow situation is having adverse effects on business operations and private sector cash flow positions. To restore macroeconomic stability and direct the economy towards a more sustainable growth path as well as reducing the risk of debt distress, the Authorities have committed to a reform agenda with a number of priorities such as fiscal consolidation, review of the relevance and effectiveness of all Public Enterprises, commitment to implementing business regulatory and ease of doing business reforms, creating jobs and improving social protection, particularly for women, the youth and the rural poor, and Public Procurement reforms. One aspect of the Public Procurement reforms is automation of the public procurement system to promote accountability and transparency as well as to curb corruption.

1.1.3 Economic Governance and Public Financial Management: The country continues to rank low on governance rankings and challenges persist in Public Financial Management (PFM) despite the Government's commitment to improving PFM through the ongoing implementation of the 2017 PFM Act. With recent intervention by the Bank

through the Support for Economic Recovery and Inclusive Growth Program and the World Bank's intervention through a Development Policy Operation, there is notable progress on PFM reforms. The PFM Regulations that are supposed to underpin the implementation of the PFM Act have not yet been approved. Finalization, issuance, and implementation of the PFM Regulations by the public sector is an important step to improving the country's financial management environment.

1.1.4 Public Procurement in the Kingdom of Eswatini is regulated by the Public Procurement Act, 2011. The Act, which became effective in 2013, describes the institutional framework, methods of procurement, procedures, rules and ethical behavior. The Public Procurement Act N° 7 of 2011 (the Act) requires the existence of regulations to enable compliance with most of its provisions (e.g. applications for deviations and thresholds for issuance of tender award notices require regulations). The Public Procurement Regulations were gazetted and became operational on 24 May 2021. It is expected that the new Regulations will improve competition, efficiency, and transparency in procurement processes. The Regulations, provide guidance to Procuring Entities on the interpretation and application of both the Public Procurement Act of 2011 and the new Public Procurement Regulations and sets out the relevant procedures under the Public Procurement Act. The Public Procurement Regulations address the requirements of, and are in line with, the Act and enhance compliance by Procuring Entities, ensure transparency and accountability in Public Procurement, ensure Value for Money in the use of Public Funds and promote diverse Private Sector participation. The Public Procurement Act of 2011 applies to all public procurement conducted by "Procuring Entities" (PE) which are defined as any entity designated to conduct public procurement activities and shall include any Ministry, Department, Agency, Category A public enterprise or Local Government Authority, except where procurement is related to defense or national security or where an international agreement is concluded between the Government of Eswatini and any donor organization and may require the use of procurement rules and procedures provided in the said agreement. ESPPRA is reviewing the Public Procurement Act of 2011 and the Public Procurement Regulations to address legal gaps and improve loopholes in the Regulations.

1.1.5 The Eswatini procurement system provides for the use of Standard Bidding Documents for procurement of Goods, Works and the acquisition of Consulting Services by any Procuring Entity. The Standard Bidding Documents were revised and are undergoing validation. The revised Standard Bidding Documents will standardize how Procuring Entities develop their tender documents.

1.1.6 With the support of the World Bank, ESPPRA developed an e-GP strategy in 2020. The strategy aimed at providing information on the e-GP System as well as guidance on its implementation. The e-GP strategy was finalized but it is yet to be adopted at national level. Adoption of the e-GP strategy at national level will lead to the efficiency of procurement in government.

1.1.7 A Country Procurement Assessment was conducted in 2019 and updated in 2021 and 2022. The initial assessed risk was Substantial, with room for re-categorization to Moderate if proposed mitigating actions were implemented. The Government has been making efforts to strengthen the procurement management function for major spending ministries, starting with initial institutional capacity-building activities and implementation of the legal framework including the operationalization of Public Procurement Regulations in 2021. The Cabinet approved the e-GP Strategy but adoption is pending due to delays in the appointment of the e-

GP committees (Steering and Technical Committees). It is imperative to implement institutional reforms, technical and financial capacity building initiatives as well as regulatory reforms for the public procurement system to bring it to the required standards and ensure efficiency.

1.2 Project Objectives

1.2.1 The overarching development objective of the project is to support the development of a transparent, effective and accountable public procurement system. This will be done through strengthening the capacity of the institution in charge of public procurement – the Eswatini Public Procurement Regulatory Authority. The project will provide targeted technical assistance and knowledge management support to the Eswatini Public Procurement Regulatory Agency to (a) deliver its mandate of ensuring efficient, effective, transparent, and accountable public procurement systems and practices at all levels; (b) undertake selected analytical work to inform legal and institutional reforms and capacity building of procurement professionals. The purpose is to assess the institutional, organizational and human resources capacity in public procurement and inform future reforms and capacity building interventions. The provision of technical assistance and advisory services will contribute to addressing some of the weaknesses identified in the Country Fiduciary Risk Assessment such as weak public financial and procurement management systems and capacity which were highlighted in the Country Strategy Paper 2020 – 2024.

1.2.2 The Technical Assistance will enable the Bank to deliver its knowledge management and advisory services. The assessment will be done using the OECD Methodology for the Assessment of Procurement Systems (MAPS)¹ and provides the basis for dialogue and continuation of the ongoing procurement reforms in Eswatini. The MAPS assessment would identify the gaps in the existing country procurement system by applying assessment criteria expressed in qualitative and quantitative terms. The assessment will lay the foundation for strengthening the public procurement system in Eswatini.

1.3 Sector Department responsible for preparing the request

1.3.1 The Bank’s Fiduciary and Inspection Department (SNFI) prepared this operation in close collaboration with the Eswatini Public Procurement Regulatory Agency (ESPPRA) of the Kingdom of Eswatini.

1.4 Request Form cleared by RDVP (Y/N) with date:

1.4.1 The Request Form was cleared and the RDGS management decision communicated on 6 April 2022.

1.5 Lessons from past and ongoing similar operations: The key lessons learned from previous public procurement support to countries is the need for the Bank: (a) to be flexible in responding to the country’s evolving development challenges, (b) to help government to strengthen its oversight and implementation capacity including capacity for procurement management; (c) to properly schedule and manage the operation taking into consideration the time needed to comprehensively involve all stakeholders; and (d) to build capacity through training of users of procurement systems. This can be done through the transfer of strategic

¹ OECD (2018) Methodology for Assessing Procurement Systems available at <https://www.mapsinitiative.org>

knowledge by incorporating in the terms of reference responsibility to train users through workshops and developing user guidelines and manuals. The TA incorporates capacity building and training as the second component of the project. Additional lessons learned from MICTAF funded and other projects under the Eswatini portfolio include the following: (i) delays in project start-up attributed mainly to delays in parliamentary approval and ratification of loan agreements; (ii) delays in procurement due mainly to poor quality of project designs and feasibility studies as well as ineffective contract management and lack of understanding of Procurement Plans; (iii) delays in releasing government counterpart funding; and (iv) lack of fully dedicated PIU Staff.

1.6 Justification for the use of resources

1.6.1 The Government of Eswatini is committed to improving economic governance.

The fiscal deficit is expected to narrow in the medium-term due to the ongoing fiscal consolidation drive amidst revenue constraints. Since 2018, Government has implemented a battery of economic reforms aimed at restoring macroeconomic stability, fiscal sustainability and improving the business climate. These reforms include a fiscal consolidation program, adoption of an arrears clearance strategy and commitment to business regulatory and ease of doing business reforms to foster private sector development.

1.6.2 Public Procurement is key to the Government's plan to improve economic governance. To this end, the Government has requested the Bank's technical assistance and advisory services in Public Procurement reform. The Technical Assistance is aligned with the Bank's Country Strategy Paper (CSP) 2020-2024 for Eswatini where governance, capacity building and advisory services are identified as enablers under Priority Area II-Strengthening Economic Governance to Improve the Investment Climate. The TA will help attain the CSP's strategic objectives by supporting economic governance and reducing fiduciary risk. The proposed Project is also part of the RDGS prioritization exercise for the Middle-Income Country Technical Assistance Fund. It complements the ongoing budget support operation by contributing to the mitigation of key fiduciary risks as identified by the Country Fiduciary Risk Assessment (CFRA) report and improving the delivery of reform priorities supported under the operation. Additionally, the TA is in line with the High 5 priority areas, particularly *Improving the quality of life for the people of Africa*.

1.6.3 Public procurement in Eswatini poses significant risk toward failure to achieve value for money and efficiency due to lack of full compliance with the procurement law and use of incomplete Bidding documents. The TA strives to address these and other risks. The 2020 e-Government Procurement (e-GP) Strategy highlighted the following weaknesses in public procurement in the country: (i) unethical market prices; (ii) weak internal controls and (iii) fraud and corruption.² Further challenges faced in public procurement include lack of professionalization. Procurement is not presently seen as a professional function in Eswatini. There are no job descriptions related to procurement roles and responsibilities and no requirements that those working in procurement should have in terms of procurement education or training. Procurement data is not readily available at the Government Tender Board, Ministry of Finance (MoF) or ESPPRA, thus making monitoring and regulation problematic. The private sector has low confidence in the transparency and integrity of the current public procurement system. Staff capacity, procurement planning, and contract management remain weak and unrelated to sector strategic plans, annual work plans and budgets. More efficient

² e-Government Procurement (e-GP) Strategy. 2020. ESPPRA and World Bank.

procurement is necessary for development and the indicators of successful implementation of the Public Procurement Act include the institutionalisation of an independent procurement agency, a restructured Tender Board system, and an independent review system.

1.6.4 In a challenging fiscal situation, the Government has been making efforts to strengthen the procurement management function for major spending ministries, starting with initial institutional capacity-building activities and implementation of the legal framework. However, the key regulatory institutions such as the Government Tender Board (GTB) and the Eswatini Public Procurement Regulatory Agency (ESPPRA) lack qualified staff and do not have adequate information technology (IT) tools to facilitate their operations but, instead, manually operate the systems. There is a shortage of staff with the requisite skills to conduct procurement in Procuring Entities. Compliance with procurement reporting formats by Procuring Entities, as well as the accuracy of the information, is questionable. According to the Ministry of Finance Expenditure Estimates, the Kingdom of Eswatini spent SZL 20 billion in 2018/19 which was 32% of GDP, SZL 21.7 billion in 2019/20 which was 33.5% of GDP and SZL 22.6 billion in 2020/21 which was 34% of GDP. In 2018, the Kingdom spent SZL 14 billion which was 65% of the total annual government expenditure.³ Government spends a significant amount of public funds on public procurement therefore there should be an efficient public procurement system that ensures that public money is well spent. This Technical Assistance will ensure a comprehensive assessment of the national procurement system which shall identify the strengths and weaknesses of the public procurement system and provide recommendations which may form the basis of procurement reforms in the country.

1.6.5 The Technical Assistance will also help to address public procurement challenges that have hampered the overall performance of the Bank's portfolio. A number of procurement related challenges were highlighted during the 2021 Eswatini Country Portfolio Performance Review (CPPR) Workshop, these challenges included a need for procurement reforms, a need for improvement of capacity and contract management. This TA will facilitate the assessment of the public procurement system of the Kingdom of Eswatini, identify the strengths and areas of improvement in the public procurement system and provide a basis for procurement reforms. The Capacity Building component of the TA will address capacity and contract management challenges. The two components combined will contribute to improving performance of the Bank's portfolio in the Kingdom of Eswatini, by increasing the use of the country procurement system in Bank financed operations.

1.6.6 The Bank's Country Fiduciary Risk Assessment (CFRA) of Eswatini conducted in 2019 and updated in 2021 and 2022 recorded a Fiduciary Risk Rating of **Substantial** for Procurement in Eswatini. The CFRA reported that despite progress, there were still significant gaps that could affect the quality, efficiency, effectiveness, and equity of procurement outcomes. Generally, there are weaknesses in procurement operation and market practices, limited internal control within Procuring Entities, absence of a capacity development strategy consistent with the regulatory framework, as well as poor compliance with existing procurement legislation which create challenges in public expenditure and overall affects public procurement. The main constraints are summarized in Box 1 below.

³ e-Government Procurement (e-GP) Strategy. 2020. ESPPRA and World Bank.

Box 1: Main constraints of Eswatini’s Public Procurement System

- Gaps in the Public Procurement Act of 2011 and loopholes in the Public Procurement Regulations
- Current unavailability of SBDs delays procurement proceedings
- Lack of financial resources and inadequate staffing within the ESPPRA
- Limited internal control within the Procuring Entities
- Weaknesses in procurement operations and market practices
- Lack of a procurement manual to be used by Procuring Entities and other stakeholders
- Lack of adoption of the e-GP System

1.6.7 **This TA will strengthen the institutional capacity of the Eswatini Public Procurement Regulatory Authority and Procuring Entities in the Kingdom.** It is widely recognised that efficient and transparent public procurement systems are critical to public sector effectiveness, and economic performance as public procurement accounts for approximately 12 to 20 percent of a country’s GDP.⁴ However, the challenges in public procurement in Eswatini undermine efforts to develop effective institutions, they discourage good governance and transparency, discourage private sector participation, and adversely affect public procurement. Consequently, Public procurement in Eswatini poses significant risk toward failure to achieve value for money and efficiency, lack of full compliance with procurement law and use of incomplete Bidding documents.

- *First* the Eswatini Public Procurement Regulatory Authority has a regulatory function and is vested with oversight power and responsibility of all public procurement activities carried out by all public procuring entities in Eswatini. The objectives are to ensure the application of fair, competitive, transparent and value for money procurement standards and practices; set standards for public procurement systems; monitor compliance of procuring entities; and build procurement capacity across Government.
- *Second*, ESPPRA with support from the World Bank conducted an e-GP readiness assessment in 2020 with the goal of establishing an e-GP system. The implementation of the e-GP System aims at addressing the challenges with the public procurement processes in order to weed out unethical market prices, weak internal controls, and fraud and corruption in public procurement. It is envisaged that this system will improve governance through enhanced transparency and accountability, ensure effectiveness through public procurement information management and efficient processes, enhance socio-economic development through competitiveness in public procurement and improve the investment climate. The Action Plan to be developed as a follow up to the MAPS Assessment to be undertaken through this TA, will support ESPPRA to identify areas that need enhancement and problem areas that need to be addressed, including provisions of the legal framework in need of amendments for the effective implementation of the e-GP.

1.6.8 There is linkage between this TA and other on-going operations such as the Bank’s intervention through the “Capacity building for policymakers in Eswatini” under the *Capacity Development for Economic Diversification and Industrialization in Africa and the Expansion of Bank Interventions in the Education and Skills Development Sector in the Continent 2022*

⁴ <https://stats.oecd.org/Index>

Project. This initiative is being implemented by ESPPRA and it will strengthen the procurement capacity of procuring entities in Eswatini, which is expected to result in enhanced skills, thereby addressing capacity challenges in Eswatini and leading to improvements in project implementation of Bank financed projects. Other related interventions in Eswatini include the Bank's on-going budget support operation and the World Bank's operation which highlight procurement measures as prior actions and triggers. Additionally, ESPPRA has experience in implementing Projects funded by Multilateral Development Institutions, for example, the Agency implemented the *Electronic Government Procurement (e-GP) Readiness Assessment* in 2019, funded by the World Bank.

2 PROJECT DESCRIPTION

2.1. Description of Project activities for which resources are requested

2.1.1 This TA aims to strengthen the capacity of the institution in charge of public procurement – the Eswatini Public Procurement Regulatory Authority. The Project will provide targeted technical assistance and knowledge management support to the Eswatini Public Procurement Regulatory Agency to: (a) deliver its mandate of ensuring efficient, effective, transparent and accountable public procurement systems and practices at all levels; and (b) undertake selected analytical work to inform legal and institutional reforms and capacity building of procurement professionals. This TA will facilitate the assessment of the institutional, organizational and human resources capacity in public procurement and the results of the assessment are intended to inform future reforms and capacity building interventions.

2.1.2 The Project shall engage consultants to perform the assessment of the country procurement system using the MAPS methodology and to provide capacity building to the institutions in charge of public procurement and financial management. The Technical Assistance will comprise two main components: (a) Assessment of Country Procurement Systems using the MAPS Methodology; and (b) Capacity Building of public officials and Private Sector.

Component 1: Assessment of Country Procurement Systems using the MAPS Methodology:

2.1.3 Under this component, the Project will recruit a team of experts who will carry out a thorough review of the Eswatini public procurement system using the MAPS tool. MAPS is guided by the principles of value for money, transparency, fairness and good governance (principles that also guide the AfDB's Procurement Framework) and it establishes the foundation for a well-governed public procurement system that helps meet policy objectives and increases public trust.⁵ Comprehensively assessing Eswatini's procurement system using MAPS, with the goal of identifying weaknesses and developing strategies to address identified weaknesses, will contribute to accelerating public procurement reform in the country and addressing current constraints. The MAPS core assessment consists of an indicator framework categorized into four (4) mutually supporting thematic pillars. Each pillar includes indicators, sub-indicators (which are qualitative and quantitative) and assessment criteria. The four (4) pillars provide a comprehensive approach to assessing a procurement system, and these are (a)

⁵ OECD (2018) **Methodology for Assessing Procurement Systems** available at <https://www.mapsinitiative.org>

Legislative, Regulatory and Policy Framework; (b) Institutional Framework and Management Capacity; (c) Procurement Operations and Market Practices; and (d) Accountability, Integrity and Transparency of the Public Procurement System. The assessment would result in the development of recommendations and a prioritized reform action plan intended to address the identified weakness and inform Government's efforts towards an enhanced public procurement system that meets policy objectives and achieves value for money with high standards of transparency, fairness and good governance. For further details, the draft terms of reference are attached as Annex IV.

2.1.4 Phase 2 of the Technical Assistance may focus on the Sustainable Public Procurement module for catalysing and accelerating the implementation of an efficient, sustainable, and more inclusive public procurement system. This offers the opportunity of exploring ways of informing the strategic planning process for Sustainable Public Procurement in Eswatini, including the increased participation of youth and women in public procurement. The consultant will, as part of the ToRs, carry out a preliminary assessment of the existing legal and regulatory framework to identify opportunities for considering sustainability criteria as part of public procurement. This will pave the way for further support by the Bank, by identifying interventions in the area of governance and institutional reforms in Eswatini.

Component 2: Capacity Building Training

2.1.5 **Capacity Building.** This component will comprise capacity building support to the Government of the Kingdom of Eswatini to foster understanding and ensure that the structuring, management, and execution of public procurement is done in compliance with national laws and regulations as well as international standards and best practices. Training will be provided to civil servants, government officials particularly those from ESPPRA, the Auditor General's Office, the Accountant General's Office, and Government agencies in charge of implementing procurement activities. Training will also be provided to Private Sector Entities and Civil Society Organizations (CSOs). The objective of the training will be to familiarize officials, civil servants, Private Sector Entities and CSOs with national procurement rules and procedures as well as Bank rules and procedures and to strengthen the fiduciary management of Bank financed operations. The overall goal of the training is to facilitate acquisition of a mastery of the rules and procedures of the country's legislation as well as those of the African Development Bank. For Bank financed projects, the training will improve the effectiveness of the implementation of projects and programs. The capacity building activity under the TA will provide a foothold for training and skills building that will begin to address capacity constraints in the public sector vis-a-vis public procurement and financial management. Additionally, the TA will help to address public procurement challenges that have hampered the overall performance of the Bank's portfolio.

2.2. Description of Expected Outputs

2.2.1 The expected outputs of the Technical Assistance are as follows: (i) a MAPS Assessment Report (approved by the MAPS Secretariat); (ii) a Procurement Capacity Development Action Plan; and (iii) training of Procurement Practitioners in the Kingdom. The TA will support the government's commitment to improving economic governance through an assessment of the institutional, organizational, and human resources capacity in public procurement and informing future reforms and capacity building interventions and the provision of recommendations to form the basis of procurement reforms.

2.2.2 The TA is expected to result in the following benefits: (a) a road map for building an improved, efficient, effective and robust procurement system; and (b) accelerated implementation of a modern, efficient, and effective public procurement system in Eswatini guided by value for money, transparency, fairness and good governance. The Project is expected to result in the improved capacity of institutions legislatively mandated to deal with procurement. At the end of the project, the following outputs are expected: (a) assessment of the country procurement system, using the OECD Methodology for the Assessment of Procurement Systems (MAPS); (b) Training of at least 30 procurement practitioners; and (c) Procurement Capacity Development Action Plan (PDAP), with effective and practical backing for procurement reforms. In addition, the training would enhance knowledge of Bank rules, procedures and processes, leading to improved operational effectiveness. The strengthening of the participants' skills would improve the delivery timelines on Bank financed projects and contribute to increasing the country's absorptive capacity. Overall, the training would promote learning and improve accountability functions in all stages of the programme and project development cycle and inform the future capacity building activities.

3 COST ESTIMATES AND FINANCING PLAN

3.1 **Detailed cost estimates:** The estimated total Project cost is UA 130,000 of which the Bank will provide UA 110,000 (USD 148,467), to be funded under the Middle-Income Country Technical Assistance Fund. The Public Procurement Authority will contribute the sum of UA 20,000 to finance expenses related to the staffing, workshops and training activities.

3.2 **Financing plan:** The Technical Assistance shall be financed by a Middle-Income Country Trust Fund grant allocation of UA 110,000 under the Middle-Income Country Technical Assistance Fund (MICTAF) and a Government of the Kingdom of Eswatini counterpart fund of UA 20,000. The Government contribution will involve in-kind contribution, through the allocation of project staff and expenses related to workshops and training activities. The MICTAF will fund 85% of the total cost of the proposed activities, while 15% will be supported by the Government of the Kingdom of Eswatini's contribution. The table below shows the total project cost and breakdown by source of funding:

Table 1: Financing plan/Cost by Source of Financing

<i>Source</i>	<i>USD</i>	<i>UA</i>	<i>% of Financing</i>
AfDB - MIC Grant	148,467	110,000	85%
Public Procurement Authority	26,994	20,000	15%
TOTAL	174,667	130,000	100%

3.3 Cost estimates by components

3.3.1 Estimates of funding by component and expenditure category are outlined below:

Table 2: Cost estimates by expenditure category

Expenditure Category	Costs category	USD	UA	Percentage
1. Services	Services	134,430	99,600	91%
2. Operating cost	Operating costs	14,037	10,400	9%
TOTAL		148,467	110,000	100%

Table 3: Cost estimates by components and expenditure category (AfDB)

Component	Costs category	USD	UA
1. MAPS Assessment	Consultancy Services	134,430	99,600
2. Capacity Building Training	Operating costs	14,037	10,400
TOTAL		148,467	110,000

4 IMPLEMENTATION ARRANGEMENTS

4.1 Executing Agency and implementation schedule: The Project is to be implemented over a period of 24 months between September 2022 and September 2024. The Indicative Implementation Time Frame is presented in Table 4. The Ministry of Finance will be the Executing Agency and the Eswatini Public Procurement Regulatory Authority (ESPPRA) will be the Implementing Agency of the Project. ESPPRA will be in charge of project implementation and management. Day-to-day implementation of the project shall be managed by the ESPPRA team under the supervision of the Chief Executive Officer of ESPPRA. ESPPRA is experienced in carrying out procurement activities and provides guidance to other stakeholders involved in procurement. Apart from heading the day-to-day project implementation and management of the Project, the Chief Executive Officer shall also serve as the Chairperson of the MAPS Assessment Steering Committee. Supervision of the project will be carried out by the Bank at least two times a year, and a Project Completion Report will be prepared to evaluate effectiveness and efficiency and draw lessons for a follow up operation.

4.2 Monitoring and Evaluation: The Bank will undertake supervision missions, at least twice a year to review implementation progress and provide technical support and quality assurance of the assessment. The mission will also analyze to what extent the activities undertaken have contributed to the realization of the anticipated results/outputs and project objectives as well as to address any issues encountered and to identify “time-bound” remedial actions. A Project Completion Report will be prepared to evaluate progress against outputs and outcomes and draw lessons for a possible follow-up operation.

Table 4: Indicative Project Implementation Time frame

ACTIVITY/YEAR	2022			2023				2024				ACTION BY
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Preparation and Approval												
Preparation of Appraisal report and Review												AfDB
Grant Approval												AfDB
Signing of the Letter of Agreement/ Effectiveness												AfDB & ESPPRA
Project Implementation												
1. Procurement or Recruitment of consultants (EOIs & ToRs, evaluation and contract award)												ESPPRA
2. Activity Planning and Concept Note												Consultants
3. Launching the analytical work/MAPS by the consultants												ESPPRA, AfDB & Consultant
4. Stakeholder consultations												ESPPRA & Consultant
6. Submission of draft assessment report												Consultant
7. Validation workshop and final report												ESPPRA, AfDB & Consultant
8. Capacity Building (Training)												
9. Final Assessment Report												Consultant
10. Supervision and monitoring												AfDB
11. Annual Audit Report, and Project Completion Report												AfDB, and ESPPRA

5 PROCUREMENT ARRANGEMENTS

5.1 Procurement of Consulting Services: the acquisition of Consulting Services financed by the Bank will be in accordance with the “Procurement Framework for Bank Group Funded Operations” dated 2015 and following the provisions stated in the Financing Agreement. Procurement shall be carried out following Bank Procurement Methods and Procedures (PMPs), using the relevant Bank Standard or Model Solicitation Documents (SDs) and review procedures. All selections of consultants will be based on the Individual Consultants (IC) method, with the exception of the audit, which shall be procured through Least Cost Selection (LCS). Under Component 1, there shall be three (3) consultants recruited. This shall comprise the selection of one Lead (International) Consultant to conduct the MAPS Assessment, project management, quality assurance of data analysis, preparation and presentation of the final report. There shall be one Legal Consultant and a Local Consultant (Procurement Expert). The Legal Consultant and Local Consultant shall support the Lead Consultant by collecting and analyzing data, reviewing selected procurement cases, proposing recommendations and documenting the detailed assessment results in accordance with the methodology. The Legal Consultant shall also conduct the legal review. The Terms of Reference of the Consultants are set out in Annex IV and the procurement arrangements are presented in Annex III and summarized in Table 5 below. The audit of the operation shall be conducted by an independent external auditor based on the Least Cost Selection (LCS) method.

Table 5: Summary of Procurement Arrangements

	IC (UA)	LCS (UA)	Other (UA)	Total (UA)
1. Consulting Services				
1.1 International Consultant - Lead Consultant (IC)	54,234			3,134
1.2 International Consultant – Legal Expert (IC)	24,450			3,134
1.3 Local Consultant – Procurement Expert (IC)	17,782			3,134
1.4 Audit (Firm)		3,134		3,134
Sub Total - 1				99,600
2. Operating Costs				
2.1 Capacity Building (Grant)			10,400	10,400
2.1 Capacity Building (in-kind)			20,000	20,000
Sub Total – 2				30,400
TOTAL				130,000

5.2 Procurement of Operating Activities: the procurement of operating activities including seminars, workshops, travel, meetings and communications shall be carried out using resources from the Grant, Government of the Kingdom of Eswatini procedures and counterpart funds.

5.3 General Procurement Notice: the text of a General Procurement Notice (GPN) will be agreed with the Ministry of Finance and it will be issued for publication in UNDB online and on the Bank’s Internet Website, upon approval of the Financing Proposal.

5.4 Review Procedures: all procurements shall be subject to prior review by the Bank. The following documents are subject to review and approval by the Bank before promulgation: Specific Procurement Notices; Reports on Evaluation of Consultants' Proposals and recommendations for Contract Award and Draft Contracts.

5.5 Procurement Plan: The Eswatini Public Procurement Authority (ESPPRA) shall prepare and furnish to the Bank for its approval, a Procurement Plan acceptable to the Bank prior to initiating any procurement activities. The Plan shall specify each contract to be financed by the Grant, the different consultant selection methods, estimated costs, prior-review requirements and time frame. ESPPRA shall update the Procurement Plan annually or as needed throughout the duration of the project. ESPPRA shall implement the Plan in the manner in which it has been granted approval by the Bank.

6 FINANCING ARRANGEMENTS

6.1 Financial Management and Disbursement: Financial Management of the grant will be in line with the existing structures and arrangements of the ESPPRA as documented in the existing Finance Manual. ESPPRA will maintain independent accounts for the activities and prepare project financial statements in accordance with internationally acceptable accounting standards after the closure of the project. Under the oversight of the Chief Finance Officer, the Accountant will be responsible for the financial management of the project. The Project will rely on the existing processes for budgeting and planning and will utilize the existing automated financial management system (SAGE-PASTEL) in place. ESPPRA internal control procedures will also apply to the Project. ESPPRA will also submit to the Bank quarterly interim financial reports within 45 days after the end of the quarter. An external audit will be conducted by an Independent Audit Firm recruited through a competitive process in line with the Bank's procurement methods and procedures. The audit shall be done under Terms of Reference agreed with the Bank. The audit cost shall be financed by Project funds. The audited financial statements together with the management letter shall be submitted to the Bank not later than six months after the close of the Project. The Bank will undertake a minimum of two FM supervision missions in addition to desk reviews of financial reports to ensure the adequacy of financial arrangements and to recommend remedial action. The overall initial FM risk for the project is assessed as Moderate.

6.2 Disbursement: The project would make use of the Bank's various disbursement methods including (i) Direct Payment – this will be the primary method of disbursement, (ii) Special Account (SA) and (iii) Reimbursement methods in accordance with Bank rules and procedures as applicable in the Disbursement Handbook 2020 Edition, as amended from time to time. The Bank will issue a Disbursement Letter and its contents will be discussed and agreed with the Recipient during negotiations.

7 ENVIRONMENTAL AND SOCIAL SAFEGUARD

7.1 The proposed project is classified as Category 3 in line with the Bank's Integrated Social Safeguards Systems (ISS) and the Environmental and Social Assessment Procedure (ESAP). The categorization is justified because the Project will not generate or have any direct or indirect environmental and social risks or impacts since the activities are limited to technical assistance, assessments, studies, and capacity building. The activities envisaged under the project, focusing on institutional setting, procurement systems review and assessments, capacity building and technical assistance in procurement transparency and accountability will not have any negative impacts on the environment. These project activities do not support any physical projects requiring feasibility studies. The project will be required to adhere to the applicable Bank's Integrated Safeguards System (ISS) as well as comply with applicable national laws and regulations. There is no dedicated E&S role required in the Projects's

institutional structure. The Implementing Agency will be required to monitor, seek guidance and report to the Bank, any arising E&S risks identified during implementation which need to be managed and reported as per the Project’s proposed Category 3 classification.

8 GENDER

8.1 This project has been categorized as category IV as per the Gender Marker System since the project does not directly address closing of gender equality gaps. Fragilities in Public Procurement in the Country can affect the implementation of programmes and projects meant to provide assistance to vulnerable populations. The Technical assistance under this project will address these fragilities and challenges and will have a positive impact also on Gender. In addition, the project will ensure that trainings given will ensure women constitute 30% of beneficiaries. This means that, female government officials will benefit from all the relevant training activities programmed under the MAPS Methodology in the context of this Project. From a gender perspective, in the process of the development of skills and abilities it is relevant to ensure that both male and female officials responsible for implementation of reforms of the procurement system have the right competencies to perform the tasks.

9 LEGAL INSTRUMENTS AND AUTHORITY

9.1 Legal Instrument

The legal instrument will be a Letter of Agreement between the Kingdom of Eswatini (the “Recipient”) and the African Development Bank (as Administrator of MIC TAF) (the “Bank”) for an amount of UA 110,000 (the “Grant Agreement”). The Standard Conditions Applicable to Grants Made by the African Development Bank and the African Development Fund from the Resources of Various Funds (May 2019), as amended from time to time shall constitute an integral part of the Grant Agreement between the parties.

9.2 Conditions Associated with Bank’s Intervention

A. Condition Precedent to Entry into Force of the Grant Agreement:

The Grant Agreement shall enter into force on the date of signature by the Recipient and the Bank.

B. Condition Precedent to First Disbursement of the Grant:

The obligation of the Bank to make the first disbursement of the Grant shall be conditional upon the entry into force of the Grant Agreement and the fulfilment by the Recipient, in form and substance satisfactory to the Bank, of the following conditions:

- (i) The submission of evidence of the execution and delivery of a Project Agreement for implementation of the Project between the Bank and the Implementing Agency; and
- (ii) The submission of evidence of the designation of key staff for the Project implementation within the Implementing Agency with qualifications and

terms of reference acceptable to the Fund, as follows: (i) Project Coordinator; (ii) Procurement Officer; and (iii) Project Accountant.

C. Undertakings:

The Recipient undertakes the following:

- (i) To cause implementation of measures and to meet requirements for Project financial management as required by the Bank;
- (ii) To deliver to the Bank Project semi-annual reports and any other reports in form and substance acceptable to the Bank; and
- (iii) To maintain the Project Steering Committee, for inter alia guidance and general oversight functions, including strategic direction of the Project, throughout the Project implementation period.

9.3 Compliance with Bank Policies

9.3.1 This Project complies with all applicable Bank policies.

10 CONCLUSIONS AND RECOMMENDATIONS

10.1 It is recommended that a grant not exceeding UA 110,000 from the Middle-Income Country Technical Assistance Fund to the Kingdom of Eswatini be considered and approved for the purposes and subject to the conditions stipulated in this proposal.

ANNEX I: MIC GRANT LETTER OF REQUEST

Telephone: 4041145-9
Fax: 4043117
Telex: 2109 WD



MINISTRY OF FINANCE
PO BOX 442
MBABANE
ESWATINI

THE KINGDOM OF ESWATINI

08th February, 2022

OUR REF: Minfin/2022-23/2

Leila Faah Mokadem
Director General
African Development Bank,
339 Wijk Hazel Avenue,
Highveld Extension 78 Eco Park,
Centurion 0157, Private bag X1262,
Silverton, Pretoria
South Africa.

Dear Madam,

SUBJECT: Eswatini - Public Procurement Technical Assistance – Request for MICTAF Grant

The Government of the Kingdom of Eswatini through Eswatini Public Procurement Regulatory Agency (ESPPRA) is currently implementing the 'Capacity Building for Policy makers in Eswatini' component under the *Capacity Development for Economic Diversification and Industrialization in Africa and the Expansion of Bank Interventions in the Education and Skills Development Sector in the Continent* Project, an ADB sponsored project. Undertaking capacity building for policy makers will address some of the capacity constraints in procurement in Eswatini. However, there is a pressing need to assess the institutional, organizational and human resources capacity in public procurement in Eswatini in order to inform future reforms and capacity building interventions.

A comprehensive review of the Eswatini public procurement system using the Methodology for Assessing Procurement Systems (MAPS) will achieve the goal of identifying weaknesses, developing strategies to address identified weaknesses and contribute to accelerating public procurement reform in the country as well as address public procurement constraints. The assessment would result in the development of recommendations and a prioritized reform action plan which would inform the Government's efforts towards an enhanced public procurement system.

The Government of the Kingdom of Eswatini remains committed to improving the performance of the public procurement system and yielding optimal results in the use of public funds and delivery of services to citizens and residents of Eswatini while maintaining high standards of integrity and transparency.

It is within this context that I request the Bank's support to the estimated sum of USD 1 65,000.00 to enable us carryout a MAPS Assessment in Eswatini and for technical assistance in Public Procurement.

Please accept madam, assurances of my highest consideration.

Yours sincerely,

Stephen P. Dlamini

Principal Secretary



req.for TA
ESPPRA.pdf

ANNEX II: INDICATIVE IMPLEMENTATION PLAN

Description	2022			2023				2024				Entity	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
	Project Preparation and Approval												
Preparation of Appraisal Report and Review													AfDB
Grant Approval													AfDB
Signing of Letter of Agreement/Effectiveness													AfDB/MOF
	Project Implementation												
Mid-term review													AfDB
End-term review													AfDB
	Component 1: Assessment of Country Procurement Systems using MAPS Methodology												
Recruitment of Consultants													ESPPRA
Activity Planning and Concept Note													Consultants
Launching the analytical work/MAPS													Consultants, AfDB & ESPPRA
Stakeholder consultations													ESPPRA & Consultants
Submission of the draft MAPS Assessment Report													Consultants
Supervision and monitoring													AfDB
Validation Workshop & Final Report													Consultants, ESPPRA AfDB
	Component 2: Procurement Capacity Building Training												

Description	2022			2023				2024				Entity
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Training/workshop												AfDB
Final Needs Assessment Report												Consultant
	Project Audit and Completion											
Annual Audit Report and Project Completion Report												AfDB & ESPPRA

ANNEX III: PROCUREMENT ARRANGEMENTS AND OUTLINE OF THE PROCUREMENT PLAN

3.1 Details of Procurement Methods & Procedures (PMPs) to be used under the Project

3.1.1 Borrower Procurement System (BPS)

There is no contract under BPS.

3.1.2 Bank Procurement Policy and Methodology (BPM):

The following contracts will be carried out using the BPM in line with the Bank's Procurement Framework for Bank Group-Funded Operations, dated October 2015, using Bank's Procurement Methods and Procedures (PMPs) and utilizing available Bank's Standard Solicitation Documents (SSDs).

Consulting Services

- One Consultancy Service contract for financial audit will be procured through Least Cost Selection (LCS) procedures under the BPM. Three individual consultants will be procured using Individual Consultants (IC) procedures under the BPM.

Procurement Arrangement (UA) for the activities financed under the MIC-TAF Grant

	<i>Categories</i>	<i>ICB</i>	<i>NCB</i>	<i>Shortlist – IC</i>	<i>Shortlist - LCS</i>	<i>Other*</i>	<i>Non-Bank Funded</i>	<i>Total</i>
<i>1</i>	<i>SERVICES</i>							-
	1.1 International Consultant - Lead Consultant (IC)			54,234				54,234
	1.2 International Consultant – Legal Expert (IC)			24,450				24,450
	1.3 National Consultant – Procurement Expert (IC)			17,782				17,782
	1.4 Audit (Firm)				3,134			3,134
	1.5 Capacity building					10,400	20,000	30,400
	<i>Total</i>						-	130,000

Other: Not applicable

Services Contracts with Procurement Methods and Time Schedule:

Description	Selection Method	Lump sum or Time-Based	Estimated Amount in UA	Prior/Post Review	EOI Publication Date	Contract Start Date
International Consultant - Lead Consultant	IC	Lump sum	54,234	Prior	August 2022	September 2022
International Consultant – Legal Expert	IC	Lump sum	24,450	Prior	August 2022	September 2022
National Consultant – Procurement Expert (IC)	IC	Lump sum	17,782	Prior	August 2022	September 2022
Audit (Firm)	LCS	Lump Sum	3,134	Prior	April 2024	September 2024

ANNEX IV: DRAFT TERMS OF REFERENCE

TERMS OF REFERENCE – INTERNATIONAL CONSULTANT

Terms of Reference (TOR) for Public Procurement Technical Assistance Project - Eswatini

Recruitment of Consultant - LEAD CONSULTANT

1. Context

Public procurement is a crucial component of good governance, poverty reduction, and sustainable development. Governments around the world spend approximately USD 9.5 trillion in public contracts every year. This fact means that on average, public procurement constitutes around 12%-20% of a country's GDP. Therefore, the strengthening of public procurement systems is central to achieve concrete and sustainable results and to build effective institutions.

The Methodology for Assessing Procurement Systems (MAPS) was initially developed in 2003/2004 to assess and improve public procurement systems by providing a common tool for analyzing information on key aspects of a system. It has been widely used to assess the quality and effectiveness of public procurement systems and, based on the strengths and weaknesses identified, to develop strategies and implement reforms. The new version of MAPS⁶ is a universal tool that aims to catalyse and accelerate the implementation of modern, efficient, sustainable and more inclusive public procurement systems in all countries. It takes contextual elements into account to ensure that the application of MAPS is based on a good understanding of the context in which public procurement institutions and other stakeholders operate in a country. The MAPS methodology will be applied to assess the quality and performance of the public procurement system in Eswatini.

2. Objectives

The objective of this assignment is the assessment of Public Procurement System of Eswatini based on the Methodology for Assessing Procurement Systems (MAPS), Version of September 2018, to:

- a) Identify strengths and weaknesses of the existing public procurement systems; Inform the strategic planning process for future reform and system development;
- b) Establish a baseline for monitoring progress; and
- c) Ensure the objectivity, credibility and quality of the assessment process and the assessment report

3. Scope of Work

The specific tasks to meet the objectives of this assessment will revolve around the following key function(s): (Reference to the relevant MAPS sections in brackets)

⁶ Methodology for Assessing Procurement Systems (MAPS), Version of September 2018

Conducting the MAPS Assessment

The lead consultant will conduct the assessment in close cooperation with the government and members of the assessment team. The assessment will focus on the following elements:

- a) Conduct the analysis of the Country Context including mapping of stakeholders (Section I, 8-9 and Section II, 10-12)
- b) Conduct the assessment of the Public Procurement Systems (Section II, 13 - 37 and Section III, 38 – 39)
 - Develop and regularly update assessment schedule
 - Collect data (qualitative and quantitative data)
 - Apply the MAPS indicators using the following three-step approach:

Steps	Assessment	Ref.
Step 1	Review of the system applying assessment criteria expressed in qualitative terms. Preparation of a narrative report providing detailed information related to this comparison (actual situation vs. assessment criteria) and on changes underway. ⁷	Section I, 15-16
Step 2	Review of the system applying a defined set of quantitative indicators (applying at least the minimum set of quantitative indicators defined). Preparation of a narrative report detailing the findings of this quantitative analysis	Section II, 17-19
Step 3	Analysis and determination of substantive or material gaps (gap analysis). Sub-indicators that exhibit a “substantive gap” need to be clearly marked to illustrate the need for developing adequate actions to improve the quality and performance of the system. In case of identified reasons that are likely to prevent adequate actions to improve the system, “red flags” need to be assigned. Red flags are to highlight any element that significantly impedes the achievement of the main considerations of public procurement and that cannot be mitigated directly or indirectly through the system.	Section III, 20-41

- The assessment includes the review of a sample of actual procurement transactions (files). Expected number of files to be reviewed: (TBD through the Concept Paper drafting duration)
- c) Facilitate the validation of findings and develop recommendations for a prioritized procurement reform strategy (Section III, 38).
 - d) Prepare the Assessment Report in English (Section III, 40-41).

The Assessment Report will be provided in a draft version and a final version that takes account of suggestions and comments received during the quality assurance process as

⁷ Template: MAPS Indicator Matrix to document the detailed assessment results (Steps 1-3)

defined in the Concept Note. The report will consist of an executive summary and a main report that follows the outline provided in Section I, 41⁸.

4. Team Composition and Management Arrangements

The assessment will be carried out by the Assessment Team that will be composed of the following members:

A. The government will assign the following expert(s) in addition to one National Procurement Consultant & one Procurement Lawyer: (To be determined)

- [Government institution(s), Function(s), Name(s): Roles]

ESPPRA will assign two experts. ESPPRA will provide timely access to necessary information and data and will facilitate meetings with public and private stakeholders (e.g. private sector organizations, civil society). The government will also facilitate the review of the sample of procurement cases by making the files available for review, preferably in a central location.

B. There will be one international consultant contracted for the assignment who will work in close cooperation with the other two experts assigned by the government and two additional consultants (National Procurement Consultant, and Procurement Lawyer).

The Lead Consultant international public procurement specialist: The Lead Consultant is responsible for conducting the assessment in accordance with the MAPS methodology, project management, quality assurance of the data analysis and recommendations, writing the report and presentation of the report, as required. The Lead Consultant will assist AfDB to liaise with the government to ensure timely implementation.

The team members oversee & support the assessment by collecting and analyzing data, reviewing selected procurement cases, proposing recommendations and documenting the detailed assessment results in accordance with the methodology.

The Assessment Team will work in close cooperation with the Assessment Steering Committee. The Assessment Steering Committee is composed of the following members:

- [Institution, Function, Names] (To be determined)

The Assessment Team will liaise with external partners to support a timely and smooth implementation of the assessment. The following persons are responsible:

- AFDB, Chief Regional Procurement Coordinator,(To be Advised)

- AFDB, Senior Procurement Specialist,(To be Advised)

- Other Development Partners,(To be Advised)

5. Competency Requirements

The following competencies are required:

⁸ Template: MAPS Assessment Report

Qualifications: Expert in public procurement assessments and reform

- The lead consultant must be an experienced public procurement practitioner with ample knowledge of the legal, institutional, and operational aspects of public procurement and of internationally accepted practice in this area. S/he must have working knowledge of the English language.
- The Lead Consultant must have at least 10 years of practical experience in public procurement, in particular experience in assessing public procurement systems and in designing and/or implementing procurement reform programs, in various country contexts. Previous completed MAPS assessments and good knowledge of the country/region in which the assessment will take place will be an advantage.
- The consultant must possess postgraduate academic qualifications in any of the following fields: economics, public administration, engineering, law, procurement, finance, business administration, political science or of any other related field.

6. Timetable and Deliverables

This assignment will commence in September 2022.

There will be three (3) missions to the country by the Lead Consultant. Such Missions may be virtual, depending on the travelling conditions at the time.

The assignment will be completed with the submission of the final Assessment Report not later than August 2024.

The Assessment Report shall be provided in the following language(s): English.

The table below summarizes the outputs to be achieved by the assessment team/team of consultants and it details responsible partners and deadlines:

Output	Responsible	Cooperation with	Deadline
Concept Note	Lead Consultant / AfDB	Government	September – December 2022
Preparatory Assessment Team Meetings and meetings with ESPPRA and Steering Committee and Launch Workshop	Assessment Team/Team of Consultants	Assessment Steering Committee	October 2022
Analysis of Country Context	Assessment Team/Team of Consultants	Assessment Steering Committee	October - June 2022

<p>Assessment of the Public Procurement System</p> <ul style="list-style-type: none"> • Develop and regularly update the assessment schedule • Collect data (qualitative and quantitative data) • Apply the MAPS indicators using the three-step (refer to MAPS Section I, 13-24) 	Assessment Team/Team of Consultants	Assessment Steering Committee	April 2023 – March 2024
<p>Developing Recommendations for Prioritized Reform (first preliminary draft assessment report)</p>	Assessment Team/Team of Consultants	Assessment Steering Committee	September 2023
<p>Validation of Findings</p>	Government; facilitated by Assessment Team/Team of Consultants	Stakeholders External partner Peer Reviewers	February 2024
<p>Assessment Report</p> <ul style="list-style-type: none"> ▪ Draft ▪ Review/Comments (by International Technical Advisory Group (ATAG) members) ▪ Final report (off site) 	Assessment Team/Team of Consultants	Assessment Steering Committee	<p>Draft Report (after validation): June 2024</p> <p>Final Report after ATAG review: August 2024</p>

7. Duration of the assignment

The lead consultant will be contracted for the following number of calendar days:

Tasks/Activities	Lead Consultant (International)
Preparation (off site)	5
Analysis of Country Context	5
Assessment of the Public Procurement System	20
Developing Recommendations	10
Validation of Findings	10
Assessment Report (off site)	20
Dissemination Workshop	5
International Travel	5
Total number of days	80

TERMS OF REFERENCE – PROCUREMENT LAWYER

Terms of Reference (TOR) for the Public Procurement Technical Assistance Project – Eswatini

Recruitment of a Consultant – PROCUREMENT LAWYER

1. Context

Public procurement is a crucial component of good governance, poverty reduction, and sustainable development. Governments around the world spend approximately USD 9.5 trillion in public contracts every year. This fact means that on average, public procurement constitutes around 12%-20% of a country's GDP. Therefore, the strengthening of public procurement systems is central to achieve concrete and sustainable results and to build effective institutions.

The Methodology for Assessing Procurement Systems (MAPS) was initially developed in 2003/2004 to assess and improve public procurement systems by providing a common tool for analyzing information on key aspects of a system. It has been widely used to assess the quality and effectiveness of public procurement systems and, based on the strengths and weaknesses identified, to develop strategies and implement reforms. The new version of MAPS⁹ is a universal tool that aims to catalyse and accelerate the implementation of modern, efficient, sustainable and more inclusive public procurement systems in all countries. It takes contextual elements into account to ensure that the application of MAPS is based on a good understanding of the context in which public procurement institutions and other stakeholders operate in a country. The MAPS methodology will be applied to assess the quality and performance of the public procurement system in Eswatini.

2. Objectives

The objective of this assignment is the assessment of the Public Procurement System of Eswatini based on the Methodology for Assessing Procurement Systems (MAPS), Version of September 2018, to:

- d) Identify strengths and weaknesses of the existing public procurement systems; Inform the strategic planning process for future reform and system development;
- e) Establish a baseline for monitoring progress; and
- f) Ensure the objectivity, credibility and quality of the assessment process and the assessment report.

3. Scope of Work

The specific tasks to meet the objectives of this assessment will revolve around the following key function(s): (Reference to the relevant MAPS sections in brackets)

Conducting the MAPS Assessment

The Procurement Lawyer will conduct the assessment in close cooperation with the government. The assessment will focus on the following elements:

- a) Conduct the analysis of the Country Context including mapping of stakeholders

⁹ Methodology for Assessing Procurement Systems (MAPS), Version of September 2018

- b) Conduct the assessment of the Public Procurement System
 - Develop and regularly update assessment schedule
 - Collect data (qualitative and quantitative data)
 - Apply the MAPS indicators using the following three-step approach:

Steps	Assessment	Ref.
Step 1	Review of the system applying assessment criteria expressed in qualitative terms. Preparation of a narrative report providing detailed information related to this comparison (actual situation vs. assessment criteria) and on changes underway. ¹⁰	Section I, 15-16
Step 2	Review of the system applying a defined set of quantitative indicators (applying at least the minimum set of quantitative indicators defined). Preparation of a narrative report detailing the findings of this quantitative analysis	Section II, 17-19
Step 3	Analysis and determination of substantive or material gaps (gap analysis). Sub-indicators that exhibit a “substantive gap” need to be clearly marked to illustrate the need for developing adequate actions to improve the quality and performance of the system. In case of identified reasons that are likely to prevent adequate actions to improve the system, “red flags” need to be assigned. Red flags are to highlight any element that significantly impedes the achievement of the main considerations of public procurement and that cannot be mitigated directly or indirectly through the system.	Section III, 20-41

- The assessment includes the review of a sample of actual procurement transactions (files). Expected number of files to be reviewed: (TBD through the Concept Paper drafting duration)
- c) Facilitate the validation of findings and develop recommendations for a prioritized procurement reform strategy (Section III, 38).
- d) Prepare the Assessment Report in English (Section III, 40-41).

The Assessment Report will be provided in a draft version and a final version that takes account of suggestions and comments received during the quality assurance process as defined in the Concept Note. The report will consist of an executive summary and a main report that follows the outline provided in Section I, 41¹¹.

4. Team Composition and Management Arrangements

The assessment will be carried out by the Assessment Team that will be composed of the following members:

A. The government will assign the following expert(s) in addition to one National Procurement Consultant & one Procurement Lawyer:

- [Government institution(s), Function(s), Name(s): Roles]

ESPPRA will assign two experts. ESPPRA will provide timely access to necessary information and data and will facilitate meetings with public and private stakeholders (e.g. private sector

¹⁰ Template: MAPS Indicator Matrix to document the detailed assessment results (Steps 1-3)

¹¹ Template: MAPS Assessment Report

organizations, civil society). The government will also facilitate the review of the sample of procurement cases by making the files available for review, preferably in a central location.

B. There will be one international consultant contracted for the assignment who will work in close cooperation with the other two experts assigned by the government and two additional consultants (National Procurement Consultant, and Procurement Lawyer).

The Lead Consultant international public procurement specialist: The Lead Consultant is responsible for conducting the assessment in accordance with the MAPS methodology, project management, quality assurance of the data analysis and recommendations, writing the report and presentation of the report, as required. The Lead Consultant will liaise with the government to ensure timely implementation.

The team members oversee & support the assessment by collecting and analyzing data, reviewing selected procurement cases, proposing recommendations and documenting the detailed assessment results in accordance with the methodology.

The Assessment Team will work in close cooperation with the Assessment Steering Committee. The Assessment Steering Committee is composed of the following members:

- [Institution, Function, Names] (To be determined)

The Assessment Team will liaise with external partners to support a timely and smooth implementation of the assessment. The following persons are responsible:

- AFDB, Chief Regional Procurement Coordinator,(To be Advised)

- AFDB, Senior Procurement Specialist,(To be Advised)

- Other Development Partners,(To be Advised)

5. Competency Requirements

The following competencies are required:

Qualifications: Expert in public procurement assessments and reform

- The Procurement Lawyer must be an experienced public procurement practitioner with ample knowledge of the legal, institutional, and operational aspects of public procurement and of internationally accepted practice in this area. S/he must have working knowledge of the English language.
- The Procurement Lawyer must have at least 10 years of practical experience in public procurement, in particular experience in the analysis of legal and institutional frameworks related to procurement, assessing public procurement systems and in designing and/or implementing procurement reform programs, in various country contexts.
- The Procurement Lawyer must possess postgraduate academic qualifications in any of the following fields: economics, public administration, engineering, law, procurement, finance, business administration, political science or of any other related field.

6. Timetable and Deliverables

This assignment will commence in September 2022.

There will be three (3) missions to the country by the Lead Consultant. Such Missions may be virtual, depending on the travelling conditions at the time.

The assignment will be completed with the submission of the final Assessment Report not later than August 2024.

The Assessment Report shall be provided in the following language(s): English

The table below summarizes the outputs to be achieved by the assessment team/team of consultants and it details responsible partners and deadlines:

Output	Responsible	Cooperation with	Deadline
Concept Note	Lead Consultant / AfDB	Government	September – December 2022
Preparatory Assessment Team Meetings and meetings with ESPPRA and Steering Committee and Launch Workshop	Assessment Team/Team of Consultants	Assessment Steering Committee	October 2022
Analysis of Country Context	Assessment Team/Team of Consultants	Assessment Steering Committee	October - June 2022
Assessment of the Public Procurement System <ul style="list-style-type: none"> • Develop and regularly update the assessment schedule • Collect data (qualitative and quantitative data) • Apply the MAPS indicators using the three-step (refer to MAPS Section I, 13-24) 	Assessment Team/Team of Consultants	Assessment Steering Committee	April 2023 – March 2024
Developing Recommendations for Prioritized Reform (first preliminary draft assessment report)	Assessment Team/Team of Consultants	Assessment Steering Committee	September 2023
Validation of Findings	Government; facilitated by Assessment Team/Team of Consultants	Stakeholders External partner Peer Reviewers	February 2024
Assessment Report <ul style="list-style-type: none"> ▪ Draft ▪ Review/Comments (by International Technical Advisory Group (ATAG) members) ▪ Final report (off site) 	Assessment Team/Team of Consultants	Assessment Steering Committee	Draft Report (after validation): June 2024 Final Report after ATAG review:

			August 2024
--	--	--	-------------

7. **Inputs from the Procurement Lawyer**

The inputs from the Procurement Lawyer throughout the assessment shall not exceed 20 working days, covering the following tasks:

- Conduct a desk-review of the existing national procurement legal and regulatory frameworks, and other legislation with impact on procurement, using MAPS;
- Support the drafting of the Preliminary Assessment Report with a focus on the legal and regulatory aspects of the national procurement system, proposing specific recommendations and revisions to the legal and regulatory framework considering the national legal tradition and international procurement standards and practices;
- Review and provide detailed comments on various national public procurement laws and regulations; and
- Any other tasks as instructed by the Lead Consultant and/or the AfDB.

TERMS OF REFERENCE –PROCUREMENT CONSULTANT

Terms of Reference (TOR) for Public Procurement Technical Assistance Project – Eswatini

Recruitment of a Procurement Consultant

1. Context

Public procurement is a crucial component of good governance, poverty reduction, and sustainable development. Governments around the world spend approximately USD 9.5 trillion in public contracts every year. This fact means that on average, public procurement constitutes around 12%-20% of a country's GDP. Therefore, the strengthening of public procurement systems is central to achieve concrete and sustainable results and to build effective institutions.

The Methodology for Assessing Procurement Systems (MAPS) was initially developed in 2003/2004 to assess and improve public procurement systems by providing a common tool for analyzing information on key aspects of a system. It has been widely used to assess the quality and effectiveness of public procurement systems and, based on the strengths and weaknesses identified, to develop strategies and implement reforms. The new version of MAPS¹² is a universal tool that aims to catalyse and accelerate the implementation of modern, efficient, sustainable and more inclusive public procurement systems in all countries. It takes contextual elements into account to ensure that the application of MAPS is based on a good understanding of the context in which public procurement institutions and other stakeholders operate in a country. The MAPS methodology will be applied to assess the quality and performance of the public procurement system in Eswatini.

2. Objectives

The objective of this assignment is the assessment of the Public Procurement System of Eswatini based on the Methodology for Assessing Procurement Systems (MAPS), Version of September 2018, to:

- a. Identify strengths and weaknesses of the existing public procurement systems; Inform the strategic planning process for future reform and system development;
- b. Establish a baseline for monitoring progress; and
- c. Ensure the objectivity, credibility and quality of the assessment process and the assessment report

3. Scope of Work

The specific tasks to meet the objectives of this assessment will revolve around the following key function(s): (Reference to the relevant MAPS sections in brackets)

Conducting the MAPS Assessment

The Procurement consultant will conduct the assessment in close cooperation with the government and members of the assessment team. The assessment will focus on the following elements:

- e) Conduct the analysis of the Country Context including mapping of stakeholders
- f) Conduct the assessment of the Public Procurement Systems

¹² Methodology for Assessing Procurement Systems (MAPS), Version of September 2018

- Develop and regularly update assessment schedule
- Collect data (qualitative and quantitative data)
- Apply the MAPS indicators using the following three-step approach:

Steps	Assessment	Ref.
Step 1	Review of the system applying assessment criteria expressed in qualitative terms. Preparation of a narrative report providing detailed information related to this comparison (actual situation vs. assessment criteria) and on changes underway. ¹³	Section I, 15-16
Step 2	Review of the system applying a defined set of quantitative indicators (applying at least the minimum set of quantitative indicators defined). Preparation of a narrative report detailing the findings of this quantitative analysis	Section II, 17-19
Step 3	Analysis and determination of substantive or material gaps (gap analysis). Sub-indicators that exhibit a “substantive gap” need to be clearly marked to illustrate the need for developing adequate actions to improve the quality and performance of the system. In case of identified reasons that are likely to prevent adequate actions to improve the system, “red flags” need to be assigned. Red flags are to highlight any element that significantly impedes the achievement of the main considerations of public procurement and that cannot be mitigated directly or indirectly through the system.	Section III, 20-41

- The assessment includes the review of a sample of actual procurement transactions (files). Expected number of files to be reviewed: (TBD through the Concept Paper drafting duration)
- g) Facilitate the validation of findings and develop recommendations for a prioritized procurement reform strategy (Section III, 38).
- h) Prepare the Assessment Report in English (Section III, 40-41).

The Assessment Report will be provided in a draft version and a final version that takes account of suggestions and comments received during the quality assurance process as defined in the Concept Note. The report will consist of an executive summary and a main report that follows the outline provided in Section I, 41¹⁴.

4. Team Composition and Management Arrangements

The assessment will be carried out by the Assessment Team that will be composed of the following members:

A. The government will assign the following expert(s) in addition to one Procurement Consultant & one Procurement Lawyer: (To be determined)

- [Government institution(s), Function(s), Name(s): Roles]

¹³ Template: MAPS Indicator Matrix to document the detailed assessment results (Steps 1-3)

¹⁴ Template: MAPS Assessment Report

ESPPRA will assign two experts. ESPPRA will provide timely access to necessary information and data and will facilitate meetings with public and private stakeholders (e.g. private sector organizations, civil society). The government will also facilitate the review of the sample of procurement cases by making the files available for review, preferably in a central location.

B. There will be one international consultant contracted for the assignment who will work in close cooperation with the other two experts assigned by the government and two additional consultants (National Procurement Consultant, and Procurement Lawyer).

The Lead Consultant international public procurement specialist: The Lead Consultant is responsible for conducting the assessment in accordance with the MAPS methodology, project management, quality assurance of the data analysis and recommendations, writing the report and presentation of the report, as required. The Lead Consultant will liaise with the government to ensure timely implementation.

The team members oversee & support the assessment by collecting and analyzing data, reviewing selected procurement cases, proposing recommendations and documenting the detailed assessment results in accordance with the methodology.

The Assessment Team will work in close cooperation with the Assessment Steering Committee. The Assessment Steering Committee is composed of the following members:

- [Institution, Function, Names] (To be determined)

The Assessment Team will liaise with external partners to support a timely and smooth implementation of the assessment. The following persons are responsible:

- AFDB, Chief Regional Procurement Coordinator,(To be Advised)
- AFDB, Senior Procurement Specialist,(To be Advised)
- Other Development Partners,(To be Advised)

5. Competency Requirements

The following competencies are required:

Qualifications: Expert in public procurement assessments and reform

- The Procurement Consultant must be an experienced public procurement practitioner with ample knowledge of the legal, institutional, and operational aspects of public procurement and of internationally accepted practice in this area. S/he must have working knowledge of the English language.
- The Procurement Consultant must have at least 5 years of practical experience in procurement operations, in particular experience in the formulation and implementation of procurement specific policies, programs and projects as well as experience in the practice of the procurement of Goods and Works and the acquisition of Consultancy Services. Specific practical experience with the National Procurement System will be an advantage.
- The Procurement Consultant must possess postgraduate academic qualifications in any of the following fields: economics, public administration, engineering, law, procurement, finance, business administration, political science or of any other related field.

6. Timetable and Deliverables

This assignment will commence in September 2022.

There will be three (3) missions to the country by the Lead Consultant. Such Missions may be virtual, depending on the travelling conditions at the time.

The assignment will be completed with the submission of the final Assessment Report not later than August 2024.

The Assessment Report shall be provided in the following language(s): English.

The table below summarizes the outputs to be achieved by the assessment team/team of consultants and it details responsible partners and deadlines.

Output	Responsible	Cooperation with	Deadline
Concept Note	Lead Consultant / AfDB	Government	September – December 2022
Preparatory Assessment Team Meetings and meetings with ESPRA and Steering Committee and Launch Workshop	Assessment Team/Team of Consultants	Assessment Steering Committee	October 2022
Analysis of Country Context	Assessment Team/Team of Consultants	Assessment Steering Committee	October - June 2022
Assessment of the Public Procurement System <ul style="list-style-type: none"> Develop and regularly update the assessment schedule Collect data (qualitative and quantitative data) Apply the MAPS indicators using the three-step (refer to MAPS Section I, 13-24) 	Assessment Team/Team of Consultants	Assessment Steering Committee	April 2023 – March 2024
Developing Recommendations for Prioritized Reform (first preliminary draft assessment report)	Assessment Team/Team of Consultants	Assessment Steering Committee	September 2023
Validation of Findings	Government; facilitated by Assessment Team/Team of Consultants	Stakeholders External partner Peer Reviewers	February 2024
Assessment Report <ul style="list-style-type: none"> Draft Review/Comments (by International Technical Advisory Group (ATAG) members) 	Assessment Team/Team of Consultants	Assessment Steering Committee	Draft Report (after validation): June 2024 Final Report

<ul style="list-style-type: none"> ▪ Final report (off site) 			after ATAG review: August 2024
---	--	--	--------------------------------------

7. Inputs from the Procurement Consultant

The inputs from the Procurement Consultant throughout the assessment shall not exceed 75 working days, covering the following tasks:

- The Procurement Consultant is in charge of supporting the assessment by collecting and analyzing data, reviewing selected procurement cases, proposing recommendations and documenting the detailed assessment results in accordance with the methodology;
- The Procurement Consultant will assist in the validation of findings;
- The Procurement Consultant will be in charge of collecting information and supporting the elaboration of the Stakeholder mapping process;
- The Procurement Consultant will support the preparation of the Assessment Report;
- The Procurement Consultant will liaise with the African Development Bank, ESPRA and public institutions to ensure the assessment is done as in accordance with the MAPS methodology and within the specified time frame; and
- The Procurement Consultant will undertake any other tasks as instructed by the Lead Consultant and/or AfDB.

ANNEX V: BANK GROUP'S ONGOING PROJECT PORTFOLIO (AS OF JUNE 2022)

Since the Bank commenced lending operations in Eswatini in 1974, total cumulative commitments approved in loans and grants amounted to about USD 757 million.

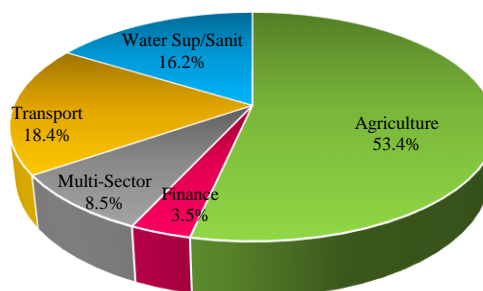
The portfolio's sector distribution is spread over five sectors and mostly invested in infrastructure (88.3%). The agriculture sector accounts for the largest share of the resources (53.4%), followed by the transport sector (18.4%), water and sanitation (16.2%), multi-sector (8.5%) and finance (3.4%).

The portfolio is active in four of the High-5 priority areas. It is dominated by Feed Africa representing 53.4% of total commitments, followed by Improve the quality of Life of the People of Africa (24.7%), Integrate Africa (18.4%) and Industrialize Africa (3.4%). Currently, there are no projects in the energy sector (Light Up and Power Africa).

Portfolio Performance:

- ✚ 40.5 % Overall disbursement ratio
- ✚ **Approvals planned for 2022: UA 112.5 million**
 - (i) Mkhondvo Ngwavuma Water Augmentation Program Phase II Part B (UA82.5 million), (ii) Food Crisis Budget Support (UA30.0 million).
- ✚ In addition, technical assistance will be provided as follows: (i) support key SOE reforms and (ii) support Public Procurement and (iii) support to Develop Implementation and Monitoring Frameworks for the Gender Policy.

Portfolio Distribution by Sector June 2022



Portfolio Performance: The overall performance rating of the portfolio is 3.0 (on scale 1-4, with 1 being highly unsatisfactory and 4 highly satisfactory). This is in line with the June portfolio flashlight report showing that Eswatini's on-going portfolio is considered as *moderately satisfactorily* with 60% financing instruments performing satisfactorily; 10% under 'Close Watch' (Construction of Manzini Mbadlane Golf Interchange project is under *Close Watch* because of slow disbursement); and 30% 'flagged red' (flagged operations are: (i) Manzini Region Water Supply and Sanitation Project, experiencing procurement issues because of poor design; (ii) Mkhondvo Ngwavuma Water Augmentation Program Phase I Part A, experiencing delays in the signature and ratification of the Loan Agreement; and (iii) the Mkhondvo-Ngwavuma Augmentation Scheme Feasibility Studies, flagged for slow disbursement as some deliverables are still being finalized and reviewed by the Government and the Bank). The portfolio has no outstanding Project Completion Reports of closed projects.

The average age of the portfolio was 4.2 years, with a disbursement rate of 40.5% as of 1st June 2022. The rejuvenation of the portfolio is linked to the approval of 2 new operations in November and December 2021. The portfolio does not include any problematic project (PP) or potentially problematic project (PPP).

Management Challenges. The key challenges underlying portfolio quality are: (i) delays in the project start-up attributed mainly to delays in parliamentary approval and ratification of loan agreements, (ii) delays in procurement due mainly to poor quality of project designs and feasibility studies as well as ineffective contract management and lack of understanding of Procurement Plans; (iii) delays in releasing government counterpart funding, and (vi) lack of fully dedicated PIUs Staff. To overcome these challenges, the Bank will conduct a needs assessment as well as design and implement procurement trainings and Fiduciary Clinics. Additionally, the Bank recommended monthly meetings with the PIUs to discuss procurement matters in general and *ad hoc* procurement

meetings to address issues of concern or challenges to resolve them quickly. To better monitor and manage contracts and ensure the timely initiation of contract extensions, PIUs have been advised to utilize monitoring tools such as the Procurement Plans and Contract Registers. The Bank will continue to organize regular dialogue missions with the authorities and portfolio review meetings with the PIUs.

ANNEX VI: OVERVIEW OF ACTIVE PORTFOLIO IN ESWATINI AS OF 1 JUNE 2022

Financing Instrument s / Flashlight	Operation	Source	Sector	Approval date	Age in years	Signature Date	Effect. Date	First Disb. date	Completion date	Amount UA	Disb Rate (%)	PFI Status	
1*	Mkhondvo-Ngwavuma Water Augmentation Program Phase I Part A	ADB Grant	Agriculture	12/17/2021	0.5	-	-	-	12/31/2028	125,845,141.08	0.0	Project at start-up stage	
2**	Mkhondvo-Ngwavuma Augmentation Scheme Feasibility Studies	ADB Loan	Agriculture	3/30/2020	2.2	6/24/2020	6/24/2020	6/24/2020	9/30/2022	1,200,000.00	44.3	NPPP	
3	Lower Usuthu Smallholder Irrigation Project II	ADB Loan	Agriculture	5/4/2016	6.1	10/26/2016	2/23/2017	4/6/2017	12/31/2024	40,094,665.18	82.6	NPPP	
<i>Subtotal for Agriculture Sector</i>										167,139,806.26			
4	Line of Credit to Swaziland Development Finance Corporation	ADB Loan	Finance	5/12/2017	5.1	8/31/2018	8/31/2018	5/28/2019	1/19/2028	10,784,047.11	100.0	NPPP	
<i>Subtotal for Finance Sector</i>										10,784,047.11			
5	Eswatini Support for Economic Recovery and Inclusive Growth	ADB Loan	Multi-Sector	11/24/2021	0.5	-	-	-	10/30/2022	26,664,691.50	100.0	Project at start-up stage	
<i>Subtotal for Multi-Sector</i>										26,664,691.50			
6	Manzini-Mbadlane Highway Project	ADB Loan	Transport	5/28/2014	8.0	11/25/2014	6/2/2015	7/7/2015	6/30/2022	33,997,481.67	88.2	NPPP	
7		ADB Grant	Transport	5/28/2014	8.0	11/28/2014	6/2/2015	6/2/2015	6/30/2022	1,200,000.00	33.6	NPPP	
8	Construction of Manzini Mbadlane Golf Interchange	ADB Loan	Transport	10/24/2018	3.6	7/15/2019	10/9/2019	10/9/2019	6/30/2023	22,235,389.97	48.0	NPPP	
<i>Subtotal for Transport Sector</i>										57,432,871.64			
9	Ezulwini Sustainable Water and Sanitation Service Delivery	ADB Loan	Water Sup/Sanit	6/18/2014	8.0	11/25/2014	4/22/2015	5/22/2015	12/31/2022	17,045,404.04	82.9	NPPP	
10***	Manzini Region Water Supply and Sanitation Project	ADB Loan	Water Sup/Sanit	11/29/2018	3.5	7/15/2019	12/13/2019	3/5/2020	12/31/2023	3,744,690.03	1.5	NPPP	
<i>Subtotal for Water Sup/Sanit Sector</i>										50,790,094.07			
GRAND TOTAL					4.2						312,811,510.58	40.5	

Notes: * Approved and unsigned for 90 days

** Disbursement closing in 12 months and less than 60% disbursed

*** Less than 50% of amount is signed in Contracts after 2 years of effectiveness