

## PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC28134

<b>Project Name</b>	IMPROVING PUBLIC SECTOR PERFORMANCE PROJECT (P152528)
<b>Region</b>	AFRICA
<b>Country</b>	Swaziland
<b>Sector(s)</b>	General public administration sector (100%)
<b>Theme(s)</b>	Administrative and civil service reform (40%), Managing for development results (30%), Participation and civic engagement (10%), Education for all (10%), Health system performance (10%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P152528
<b>Borrower(s)</b>	Kingdom of Swaziland
<b>Implementing Agency</b>	Prime Minister's Office
<b>Environmental Category</b>	C-Not Required
<b>Date PID Prepared/ Updated</b>	09-Jun-2015
<b>Date PID Approved/ Disclosed</b>	22-Jun-2015
<b>Estimated Date of Appraisal Completion</b>	14-Dec-2015
<b>Estimated Date of Board Approval</b>	16-Mar-2016
<b>Concept Review Decision</b>	Track II - The review did authorize the preparation to continue

### I. Introduction and Context

#### Country Context

1. Swaziland is a small, middle income country, in Southern Africa. Its population of slightly over one million comprises a single ethnic group- the Swati. With a GDP of roughly US\$ 4.1 billion, its lower middle income designation sharply contrasts with its high levels of poverty and inequality. The majority of the poor lives in rural areas, where approximately 75 percent of the population lives. The country defines itself as a “monarchical democracy”, where both parliamentary and traditional systems run concurrently. Swaziland has been independent since 1968. The King as Head of State holds supreme executive, legislative and judicial powers. He appoints the Prime Minister, 10 of the 76 members of the House of Assembly (the lower house of parliament) and 20 of the 31 members of the Senate.

2. The most recent parliamentary elections were held in September 2013 and the Prime Minister was reappointed for another term. The lack of voice and participation remains a problem in

Swaziland. In 2015, Freedom House, using its worst score for countries with a weak environment for political rights and civil liberties, ranked Swaziland among the 51 countries described as “Not Free”. The Ibrahim Index of African Governance (2014) ranks Swaziland lower than nearly all of the 12 Southern African countries. The Global Competitiveness Report, 2014-2015 shows that “access to financing”, “inefficient government bureaucracy” and “corruption” are among the top three most problematic factors for doing business in Swaziland. Due to these weaknesses, Swaziland’s Global Competitive Index is 3.6 out of 7, and is ranked 123 out of 144 countries.

3. Growth accelerated in the early 1980s and started to decline in the second half of the decade. Per capita growth declined steadily from 4.7 percent in 1980s; 1.7 percent in the 1990s; to 0.9 percent by 1995. Real GDP growth further declined to 1.8 percent by 2005; and by 2010, Swaziland’s deficit was approximately 15 percent of GDP and has continued to deteriorate ever since. Growth has slowed down from 3.0 percent in 2013 to 2.5 percent in 2014 and is expected to continue this trend. Factors behind the slowdown include weak performance of the textile sector and the sugar industry, two of the main exporting industries in Swaziland. Southern African Customs Union (SACU) receipts- which accounted for 48 percent of total revenue in FY14/15- are expected to decline sharply in FY16/17 and FY17/18. Fiscal challenges are expected to worsen in the near term as available resources dwindle and the level of spending remains elevated, concentrated on recurrent expenditures –including a high wage bill. Achieving high and sustained rates of economic growth to address poverty and inequality will remain elusive over the medium term. The limited fiscal space in the near term is expected to make this objective much difficult to achieve.

4. Despite Swaziland’s lower middle income status, many Swazis still live in extreme poverty. It is estimated that about 40 percent of Swazis lived under the \$1.25 per day extreme poverty in 2010. With a Gini index of 0.495 percent, inequality is high and has been persistent over the past decade- actually rising in rural areas. Compared to urban areas, growth in rural areas has not been inclusive and, has contributed to a polarized pattern observed at the national level. Swaziland was ranked 148 out of 187 countries on the Human Development Index in 2014; and while it is likely to reach universal access and eliminate gender disparities in education, it will not achieve the health Millennium Development Goals. Poor service delivery standards and outcomes have been attributed to “laxity, wasteful spending, delayed implementation of Government projects, limited focus on outputs and results, and a somewhat subtle ‘I don’t care’ attitude on [the] part of several public servants towards the Kingdom’s development agenda.” (MoF, Budget Speech, 2014). This is particularly prevalent in frontline service delivery ministries e.g. education and health.

5. In 2014, the government launched its Program of Action (POA) 2013-2014 to respond to these challenges. The POA’s goal is to support Swaziland’s drive towards achieving “first world” status by 2022. According to the POA, a “first world” status “implies equitable access to sufficient resources, education, health, food security and quality infrastructure and services, as well as good governance”, indicating the government’s attention to these sectors. Together with the National Development Plan (2014-2018), the POA is the latest of a number of similar government policy documents, including the National Development Strategy (1997-2022) currently under revision. The NDS emphasizes the importance of public administration and calls for strengthening the following areas: planning and training; productivity and efficiency; institutional reforms; and transparency and information disclosure in public sector management. The Poverty Reduction Strategy Action Plan (PRSAP) of 2008, which operationalizes the NDS, reiterates the government’s agenda for public sector management. Improving good governance and strengthening institutions is one of the six pillars of the strategy and also among the national priorities.

### **Sectoral and Institutional Context**

6. Swaziland’s public sector faces three main constraints: First, is the challenge of human

resource management, including managing the wage bill in a tight fiscal environment. The second challenge is a financial management challenge- that of maintaining fiscal discipline in an environment of weak public financial management systems. Third, and finally, is the problem of policy planning, coordination and monitoring across a government with a weak center of government operation and limited data collection and dissemination capacity.

7. The mandate for civil service management is shared by three institutions. The Civil Service Commission- a five member body appointed by the King- is responsible for recruitment, promotion and discipline; the Ministry of Public Service is responsible for personnel management, while the Teachers Service Commission and the Judicial Service Commission oversee the management of civil servants in teaching and judicial functions respectively. However, the Employment Act of 1980 (as amended in 1985 and 1998) and the Wages Act of 1964 govern personnel management of all government employees. Despite this elaborate structure for public sector management, the government has not been able to fully address a number of constraints that the sector faces- both related to management and performance of the public sector.

8. Performance problems are manifested in the quality of outcomes in social service provision. For example, Swaziland spends about 18 percent of its public expenditure on health but, its health sector outcomes are still modest. Its infant mortality rates (60 per 1000 births) is particularly high compared to lower middle income countries, and HIV prevalence, of 27 percent, is the highest in the world. Similarly, spending in education is equally high- e.g. 25 percent in 2011- but, gross enrolment rate and completion rates are still low compared to regional counterparts. The problems are also manifested in conflicting mandates and overlapping structures that undermine coordination of government policy making and implementation. Principal Secretaries report to both their substantive ministers and to the Secretary to the Cabinet; and budget management is spread among three ministries (Ministries of Finance; Economic Planning; and Public Service), sometimes complicating efforts to coordinate budget execution and monitoring.

9. Management tools such as the Human Resource Information Management System (HRMIS) have not been sufficient to curb deficiencies in the system. HRMIS exists in several ministries, but is only used for a limited number of functions. This makes the current functionality of the HRMIS inadequate to support the ministries in responding to manpower and human resource (HR) management issues. The modules that are functional are not user friendly, and prone to errors, while others have not been activated. Additionally, the payroll system developed before the HRMIS covers employee information and payroll data, but is not a module of the HRMIS. As a result data transfer from HRMIS is problematic because of poor integration. The result has been significant inefficiencies in recruitment and deployment. Long hiring procedures contribute to shortages, poor distribution and attrition of civil servants. The process of filling a vacant post involves multiple actors and can take several months. In the process, several positions remain unfulfilled, or temporary measures (e.g. the hiring of temporary teachers) are used to fill positions, thus creating opportunities for unauthorized addition to the payroll. Civil servants have also complained about nepotism and political interference in recruitment and promotion.

10. Inefficient management and the absence of effective human resource planning procedures affect how staff are allocated. Staff are placed in departments that do not need them, leading to overstaffing in some areas, and understaffing in others. This imbalance has undermined the ability of the government to fill other critical posts. There are no staffing norms based on service delivery needs and, insufficient in-service training opportunities have undermined staff development. But, the shortage of technical and managerial skills in the Civil Service has also affected efforts to improve the performance of ministries. Critical skills such as human resource planning are in short supply. In the absence of an effective way to track employee output, disciplinary issues are difficult to substantiate. Absenteeism, poor-workmanship, and lateness are rampant- resulting from both the

prevalence of informality and lack of accountability and the ineffectiveness of existing management tools. The existing performance appraisal system is used mostly to fulfil promotions requirements, and not as a tool for supporting performance improvements or accountability. Strong union affiliations and elements of patronage have also shielded civil servants from disciplinary action, even for serious disciplinary and performance issues.

11. The size of the public sector and the wage bill have also grown. With about 41,000 employees or 22 percent of total employment (Labor Force Survey, 2010), the public sector is the largest employer in Swaziland. Total wage bill in 2015/2016 accounted for about 15 percent of GDP, with the social (education and health) and defense sectors, together, accounting for slightly nearly 50 percent of the wage bill. Between 2007/2008-2015/2016, the education wage -bill grew by about 106 percent, accounting for 38 percent of the total wage bill. The growth of the wage bill results from weak human resource management and payroll control systems.

12. Financial management systems do not performed any better, and face both systemic and capacity challenges. These challenges include weak systems for fiscal administration, transparency and accountability. Swaziland's public financial management systems is weak and lacks the technical effectiveness to ensure a strong fiscal discipline. The absence of strong controls have led to fraud and misappropriations as documented in successive reports of the Auditor General. Software applications in the existing Treasury Accounting System are not fully integrated and lack some functionalities. The system is partly manual, leading to duplication of work, high rates of error, and opportunities for misappropriation of resources. Not all functionalities required for budget preparation, execution and reporting have been fully developed. To address these weaknesses, the government has proposed the installation of a modern Financial Management Information System (FMIS).

13. The risks associated with the weaknesses in financial controls have been exacerbated by the lack of technical and institutional capacity for procurement. The Public Procurement Act of 2011 came into effect in 2013. Key institutions like the Government Tender Board and the Swaziland Public Procurement Regulatory Authority (SPPRA) have been established, but the procurement system is not yet strong. A well-established procurement cadre is not in place and the few staff deployed only have basic skills; and procurement data are not readily available to government itself or to the public. The private sector has low confidence in the transparency and integrity of the current public procurement system. Conflict of interest is also reportedly prevalent, as some public servants also apparently act as suppliers to government, in violation of the Procurement Act of 2011. Additionally, weak and inefficient management of the procurement process, the result of manual processes and outdated regulations and policies, has created opportunities for fraud and corruption.

14. Corruption and conflict of interest issues therefore remain prevalent in Swaziland. Citizen participation in budgeting and scrutiny of government spending are either absent or weak. In spite of several attempts, the government has not been able to introduce the legislative framework for Access to Information, and there aren't strict provisions for declaration of conflict of interest in government operations. While there has been compliance with the asset declaration requirement for public officials as required by Article 241 of the 2005 constitution, the declarations are not publicly available. The government has established the Anti-Corruption Commission, Integrity Commission, the Accountant General's Office and Audit Office. While each of these entities has the mandate to ensure accountability in the public sector, they have all been undermined by various challenges- especially the lack of independence. With the exception of the Integrity Commission (constitutional), the rest of the integrity agencies are linked to ministries, and lack the constitutional mandate to be assertive. Successive reports of misappropriation of funds and recommendations for prosecution have been ignored. The Integrity Commission, responsible for coordinating asset

disclosure has not had a secretariat since its establishment in 2009. This, together with weak adherence to conflict of interest practices and weak financial management systems in the public sector, has led to several accountability problems. The Auditor General reports instances of fraud and misuse of government resources in successive reports, with little action.

15. Additional challenges exist in the government's capacity for public investment management. These include: low rate of implementation of the government's capital program; misappropriation of funds and escalation of project costs; and inadequate monitoring of capital projects. In addition, there is a lack of prioritization of capital projects- both in terms of selection as well as in the use of resources allocated for them. For instance, while capital expenditures account for about 20 percent of total public expenditure, the actual investment component within capital expenditure has, nonetheless, averaged 11 percent over the past decade. This is because nearly half of the capital budget is spent on recurrent activities, and not on actual investment. Much of the investment spending during 2004/5 – 2013/14 is in three sectors: transport, housing and water- revealing that capital spending priority for the past ten years has focused more on buildings (both operative/office and residential), road construction and investments in infrastructure for improvement of water services, with little investment recorded in agriculture (mainly earth dams) and electricity. Overall execution of capital budgets has, on average, performed at 71 percent during 2003/4 to 2013/14, with the lowest execution rate in health sector (41 percent). Loss of government funds is also prevalent, as noted by the Auditor General's Report of 2013.

16. Similarly, weak statistical capacity has affected the ability of the government to plan effectively and monitor development outcomes. The 1967 Statistics Act sets out the mandate for the Central Statistics Office (CSO), which is a department of the Ministry of Economic Planning and Development (MEPD). The National Development Strategy (1997-2022) identifies the following challenges in the area of statistics: the lack of comprehensive indicators to measure performance of the economy; lack of timely and appropriate data (e.g. in agriculture sector); and lack of socio-economic and population indicators. The World Bank estimates Swaziland's statistical capacity for 2014 as 60 (out of 100), well below the average for Lower Middle Income countries. The Central Statistics Office has low capacity and does not have the financial resources to support the collection and dissemination of timely and quality data. Survey data are collected infrequently and lack many social indicators, thus undermining efforts to conduct social and labor market analyses.

17. But there are also institutional challenges that undermine the ability of the CSO to undertake its mandate. In addition to lacking in sufficient number of qualified statisticians, its current administrative arrangement as a department in the MEPD with a reporting relationship to the Principal Secretary, not only compromises the independence of the institution but also deprives it of the ability to expand into a full-fledged specialized agency. In the short to medium term, focus should be on implementing the strategic framework for managing the Swaziland's statistics as well as strengthening the CSO's institutional capacity. Additional focus should be placed on strengthening the government's Monitoring and Evaluation (M&E) system to cover cross-cutting government programs. Although there are rudimentary monitoring systems, there is no systematic process of evaluating government programs. This is caused by the lack of capacity for M&E across the public sector. Efforts to mainstream M&E across government have been undermined by lack of coordination and technical capacity for M&E.

18. In order to respond to these problems, the government of Swaziland has made efforts to improve public sector performance, but with mixed success. For instance, to reduce the wage bill, the government introduced the Voluntary Early Retirement Scheme (VERS) in 2005 and an Alternative Service Delivery (ASD) Program in 2010. VERS has not been popular with civil servants, and its successor the Enhanced Voluntary Early Retirement Scheme (EVERS) has not fared any better, as civil servants have been reluctant to enroll. The government expects to introduce

the new system in selected central ministries before rolling it out system wide. The government has now embarked on a new reform agenda – Business Process Reengineering- geared towards improving public sector performance. There are also attempts to improve public financial, wage bill and performance management, all part of the Public Financial Management Action Plan in introduced in 2012. A new Public Financial Management Bill and a Public Service Bill have been presented to the Legislature for discussion. The government has also developed a Monitoring and Evaluation Strategy and piloted a new performance management system. During the FY 15, the government introduced, and piloted Medium Term Expenditure Framework in a few ministries, it is expected that MTEF will be rolled out in the rest of the ministries in the next Financial Year.

19. The World Bank and development partners have supported government's effort to strengthen wage bill and financial management. In addition to analytical work (e.g. a Public Expenditure Review in 2006, a Country Fiduciary Assessment in 2009 and a Wage Bill study in 2011), the Bank provided technical support to undertake a payroll audit in 2013-14, which revealed a number of weaknesses in payroll and human resource management systems. The UNDP has also been engaged in the sector, mostly around strengthening strategic planning and monitoring and evaluation. In both cases, efforts have been around analysis, with little support on the actual implementation. The African Development Bank (AfDB) has provided technical assistance in public financial management to the Ministry of Finance. Jointly with the European Union, USAID and the World Bank, the AfDB has also supported the development of the Public Financial Management Action Plan (FMAP) currently under implementation. The Commonwealth Secretariat has focused on strengthening the operations of the Cabinet Office, while the Bank is also active in the Health Sector, Local Government and the Investment Climate.

### **Relationship to CAS**

20. The proposed project is aligned with the Country Partnership Strategy-CPS- (2015-2018). The CPS notes that in order for government to achieve its development objectives, it would need to “better manage the role of the state in the economy, improve performance of the public service and accountability mechanisms.” The CPS has two pillars namely: promoting growth and job creation; and strengthening state capabilities. This operation is linked to the objective of the second pillar by supporting the performance of the public sector through several cross-cutting and mutually reinforcing interventions. Collectively, these activities have important linkages to government wide functions such as policy formulation, coordination, implementation and monitoring. When fully implemented, the project is expected to have contributed to the achievement of the following CPS targets: strengthened Central Statistics Office (CSO) capacity to gather and release statistics in accordance with international standards; and strengthened public procurement and internal audit capacity. The project also advances the twin goals by focusing on strengthening the management of the government's human resources to be able to serve citizens, and tackling deficiencies in public financial management to avert the loss of public funds and improve value for money. Poor citizens lack private sector alternatives available to their wealthy counterparts, and thus rely almost entirely on government provided services. These citizens suffer the effects of inefficiencies associated with weak human resource management practices or the leakages resulting from poor financial management practices.

## **II. Proposed Development Objective(s)**

### **Proposed Development Objective(s) (From PCN)**

To improve public financial management and performance management in selected ministries in Swaziland

### Key Results (From PCN)

1. Discrepancy between establishment posts and actual number of employees in selected ministries (percent)
2. Share of public procurement contracts over US\$0.2M awarded through open and competitive bidding and made publicly accessible
3. Quality and timeliness of annual financial statements (PEFA PI-25)
4. Statistical Capacity Score (Percent)
5. Direct Project beneficiaries, (of which female)

## III. Preliminary Description

### Concept Description

21. The proposed project is an Investment Project Financing operation financed by a US\$25 million IBRD loan over a five year period. The project is designed to reflect the strategic areas of the National Development Strategy (1997-2022), currently under revision. Additionally, it draws from subsequent strategic documents such as the Poverty Reduction Strategy Action Plan (2008), the PFM Action Plan (2012), the National Development Plan (2014-2017) and the Program of Action 2013-2018. More importantly, it is designed to facilitate the government's renewed focus on improved public sector performance through the Business Process Re-engineering Initiative in the Prime-Minister's Office. The project strategy is three-fold. The first is to focus on actionable interventions that address key management challenges in selected ministries to unblock constraints that hinder the performance of their mandates (especially those related to human resource management and financial management). The selected ministries are among the strategic ministries whose functions are described in the government's definition of first work status; three of them (education, agriculture and health) account for nearly half of the total number of civil servants, and there are also in the process of undertaking their own reform initiatives linked to improving frontline service delivery.

22. The project will provide support for activities that can improve the out-put of ministries and value for money. It will focus on a core set of ministries to support "turn around" in the way in which staff and financial resources are allocated and managed. By addressing these constraints, the ministries could be better prepared to unleash their organizational potential to deliver their mandates fully, by strategically (and productively) deploying their human resources and managing their finances adequately in pursuit of their respective mandates. It is expected that this initial intervention could create the basis for additional good management practices to be mainstreamed into the management of selected ministries. Participating ministries have been identified by the government based on its strategic priorities as outlined in the Plan of Action 2013-2018 (Vision 2020). They include the Ministries of Education; Health; Agriculture; Public Works; and Public Service.

Component 1: Human Resource Management (US\$ 9 million)

Sub-Component 1.1: Improved Human Resource Management

23. This sub-component aims to build the capacity of participating ministries to efficiently manage their human resources. Main activities include: (1) Conduct a Functional Review of human resource management in selected ministries to identify capacity and efficiency gaps; (2) Review the allocation of tasks in selected ministries; and design and implement a simple work-flow

management system, incorporating unit and staff work plans from strategic plans; (3) Strengthen quality management in ministries, and improve functions and task structure, including reporting and evaluation of core ministerial functions; (4) Develop HR capacity and systems in each ministry, in collaboration with the Civil Service Commission to strengthen supervision of ministry staff; (5) Update HR management modules compatible with existing HRMIS to improve HR management and payroll controls; and (6) Conduct semi-annual sample payroll audits to determine compliance with establishment register; update personnel records; and report deficiencies.

#### Sub-Component 1.2: Improved Human Resource Planning and Development

24. This sub-component will support the planning and development of human resources in participating ministries. Main Activities include: (1) Support an assessment of the SIMPA (infrastructure, accommodation, staffing, curricula, instructional approaches, management and HR systems, and financing); (2) Develop and implement a program for in-service training of civil servants, including senior managers; and (3) Establishment of the Executive Cadre of civil servants aimed at preparing Director level civil servants for leadership positions in the public sector.

#### Component 2: Strengthened Public Financial Management (US\$ 8 million)

##### Sub-Component 2.1: Improved Public Financial Management

25. This sub-component aims at improving the financial management infrastructure as well as strengthening the capacity of the staff for financial management. Main Activities include: (1) Acquisition of hardware and software for Financial Management Information System (FMIS); and capacity building to maintain, use and audit the new FMIS environment; (2) Development and implementation of a risk management system, development of a risk management framework and consultations with ministries, facilitation of risk assessment workshops, and the development of risk registers; (3) Implementation of an internal audit framework consistent with the International Standards for the Professional Practice of Internal Auditing; and (4) Capacity building of auditors in the Office of the Auditor General in the execution of Performance and Value-for-Money audits.

##### Sub-Component 2.2: Strengthened Public Procurement

26. The aim of this sub-component is to support the improvement of procurement standards in Swaziland, as well as to improve the value for money of government purchases. Main activities include: (1) Develop a customized electronic procurement system: The electronic system will incorporate modules for bidding, framework agreements for common-use items, procurement information management, and systematic disclosure of procurement data to facilitate 'evidence-based' decision making; (2) Support establishment of procurement cadre and professionalization of public procurement. The activities will include establishment of procurement thematic courses and certification programs with local institutions for sustainable capacity building arrangement, sector-specific training of government staff in public procurement; and development of a strategy towards the establishment of a multi-grade procurement officer category in the country's public service, with promotion and career development possibilities within the procurement function; (3) Support to the Swaziland Public Procurement Authority (SPPRA): This will include capacity building of SPPRA staff by training on public procurement, procurement auditing, regulation etc. and by establishing twinning arrangements and visits to other countries having track records of effective procurement regulatory functions; and (4) Development Impact Monitoring and Evaluation. This will be



conducted jointly with the Development Impact Monitoring and Evaluation (DIME) team of the World Bank and SIPPPRA. It will involve the implementation of randomized control trials to understand the extent to which: training of health facility staff in medical stock forecasting; and audits of the medication distribution chain reduce the stock out rates and the leakage of drugs in Swaziland's health facilities. It will also measure effects on the usage of health facilities and relevant health outcomes.

### Sub-Component 2.3: Strengthened Public Investment Management

27. The objective of this sub-component is to improve the management of the government's capital budget. Main activities include: (1) Establish the Public Investment Management Unit; conduct PIM assessment to guide the implementation of reforms in the area of public investment management; review the required laws and regulations for multi-year appropriations for multi-year investment projects and identify required changes to the budget law; (2) Conduct a detailed review and stock-taking exercise of the existing public investment portfolio and preparation of a criteria and methodology for prioritizing and rationalizing the existing public investment portfolio; and (3) Build capacity within Ministry of Economic Planning and Development and other line Ministries in the relevant areas of public investment management.

## Component 3: Improved Statistical Capacity and Policy Coordination (US\$6 million)

### Sub-component 3.1: Statistical Capacity Building

28. The objective of this sub-component is to improve the quality of data available for policy making. Main Activities include: (1) Strengthening the institutional capacity of the CSO; (2) Developing a national framework for management of official statistics; (3) Development of methodologies and Survey Design; (3) Acquisition of software development for data entry; (4) Technical Assistance in conducting the field work and quality assurance; and (5) Development of an in-service training program for government statistics in collaboration with the Swaziland Institute of Management and Public Administration.

### Sub-component 3.2: Policy Planning, Coordination and Implementation

29. The aim of this sub-component is to support the operations of the office of the Prime Minister. Main activities include: (1) Undertake a functional review of the Cabinet Secretariat to address both capacity and structural gaps that undermine its ability to coordinate government policy formulation and implementation; (2) Strengthen capacity for policy development, implementation, monitoring and evaluation: Support strengthening the Policy and Program Coordination Unit (PPCU) to provide advisory support to the Cabinet Secretariat through improved policy formulation; policy research and coordination; (3) Support the development of a Government Communication Strategy and dissemination of Cabinet decisions, strengthen outreach of the PM's office to ministries and other stakeholders; and (4) Strengthen coordination and implementation of performance targeting by developing systems for monitoring government performance in key agreed target areas; monitoring implementation of key Cabinet decisions and for monitoring performance of Principal Secretaries.

## Component 4: Project management and monitoring (US\$2 million)

30. This component will support the day to day management of the project to ensure proper adherence to the Bank's fiduciary and project management guidelines.

#### Sub-component 4.1: Project Management

31. This sub-component will finance the costs associated with project implementation such as stakeholder engagement, change management, monitoring and evaluation, financial management and procurement activities provided as part of project management. Main activities include: (1) Stakeholder engagement workshops; (2) Financial and procurement services; (3) Training and capacity building; and (4) Monitoring and evaluation of project activities.

#### Sub-component 4.2: Citizen Engagement

32. This sub-component the project will finance a citizen engagement activity building on the existing Smart Partnership program that the government is currently implementing. Participating ministries will be supported to conduct a series of citizen engagement activities to proactively communicate their programs with various citizen groups, civil society coalitions, and other stakeholders and to receive feedback from citizens about service quality and deficiencies. Main activities include: (1) Implementation of Customer Satisfaction Surveys; and (2) Holding of Quarterly Smart Partnership Forums.

### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		x	
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

### V. Financing (in USD Million)

Total Project Cost:	25.00	Total Bank Financing:	25.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		0.00	
International Bank for Reconstruction and Development		25.00	
Total		25.00	

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