



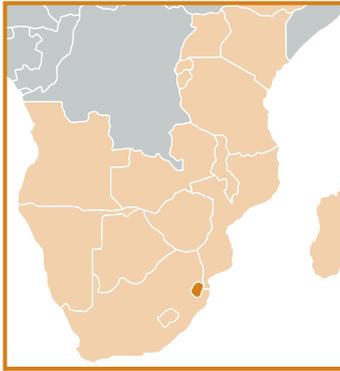
# Enabling the rural poor to overcome poverty in **Swaziland**

## **Rural poverty in Swaziland**

Swaziland is ranked as a lower middle-income country. Yet income distribution within the country is extremely unequal. The wealthiest 10 per cent of the population account for nearly half of total consumption and there is an ever-widening gap between urban and rural development. There are clear signs that poverty and unemployment are on the rise.

About 84 per cent of the country's poor people live in rural areas, where per capita income is about four times lower than in urban areas, and food consumption is two times lower. A large proportion of rural households practice subsistence agriculture. About 66 per cent of the population is unable to meet basic food needs, while 43 per cent live in chronic poverty. When drought hit Swaziland in 2004 and 2005 more than one quarter of the country's population required emergency food aid. In 2007 Swaziland experienced one of its worst droughts which led to major food insecurity.

Women are particularly vulnerable to poverty. Constitutionally, women can own and control land and their finances. However, traditional social systems discriminate severely against them and often bar them from owning and controlling land. In rural areas women have less access to education, and as many as 70 per cent of adult females are illiterate, compared to the national average of 21 per cent. Households headed by women are growing in number, as men seek employment away from home and HIV/AIDS takes its toll. Women struggle to feed their families and meet



## Partners in Swaziland

The country programme management team is composed of:

### Ministries of

- Finance
- Agriculture and Cooperatives
- Economic Planning and Development
- Natural Resources and Energy
- Enterprise and Employment

European Union

CANGO

Swazi Indigenous Products

Swaziland Micro Finance Enterprise

Imbita

Technoserve

Fincorp

Swazi Bank

UNDP

FAO

WFP

LUSIP

KDDP

SWADE

household needs single-handedly. At present 20 per cent of households are headed by women, and a further 20 per cent are managed by women while adult males are employed away from home.

Young people are increasingly vulnerable to poverty. About 47 per cent of the population is under the age of 15 and in the next decade or so young people without work will cause the number of unemployed to rise considerably. There is an urgent need to create employment opportunities for this large and growing number of young people, most of whom are children of poor households. Swaziland is experiencing a major increase in child-headed households as a result of the HIV/AIDS pandemic.

Poverty is concentrated in the areas where the climate is most unfavourable and agricultural productivity is lowest. The Lowveld is the hottest and driest zone and the most vulnerable to drought.

Most of the rural population, including the poorest communities in the country, live on Swazi Nation Land. This land is held in trust for the nation by the king and it is administered by the chiefs. It makes up about 75 per cent of the country's total land area. Most of the people who live on Swazi Nation Land farm small plots, cultivating maize and keeping cattle, and occasionally producing a cash crop.

Poor economic growth, a rapidly expanding population and an increasingly uneven distribution of resources are factors that contribute to the growing number of Swaziland's rural poor people. Other factors aggravating poverty are the rise in unemployment, the HIV/AIDS pandemic and the fact that large parts of the country are vulnerable to drought and climate change. Environmental fragility is also affecting food security. Overgrazing has caused soil depletion, while drought and periodic floods have become persistent problems.

Smallholder farmers living on Swazi Nation Land face a number of obstacles that prevent them from breaking out of poverty. The low agricultural productivity of the land can be attributed to a number of factors including difficult road access, poor linkages to markets, limited availability of irrigation water and vulnerability to climatic changes.

# Eradicating rural poverty in Swaziland

Since 1971 Swaziland has been developing Swazi Nation Land through its rural development area programmes as a means of improving the livelihoods of the large number of poor people who live in this region.

In 2000 the Government of the Kingdom of Swaziland formulated a poverty reduction strategy and action plan to tackle declining economic growth and increasing poverty. The government pledged to reduce poverty by more than half by 2015, and ultimately to eliminate it by 2022.

With a new constitution in place, and new policies being developed, there are clear indications of positive change and the making of a modern state. The government's poverty reduction strategy and action plan (PRSAP) was jointly developed with local and traditional institutions and communities, NGOs and the private sector. The six pillars of the strategy and action plan are to:

- maintain macroeconomic stability as a basis for growth
- accelerate broad economic growth for the benefit of all citizens
- help poor people develop income-generating opportunities
- use fiscal policies to distribute the benefits of growth fairly
- improve living conditions for poor people
- improve governance and strengthen institutions

As part of its poverty reduction strategy the government has initiated various strategy and policy discussions. All development schemes are required to integrate conservation measures and also to involve local communities in making decisions about land use and environmental management. Specific objectives of the rural development strategy include:

- proposed legislation to improve smallholders' access to water, land and credit
- support for the development of irrigation and the commercialization of agriculture
- a draft rural planning, development and resettlement act to ensure that women are allocated land and obtain the same rights of land management as men
- a livestock development policy to improve the management of livestock and access to markets
- access to domestic water for all rural households

The government intends to pursue crop diversification and is improving economic conditions to encourage foreign investors.

# IFAD's strategy in Swaziland

IFAD began operations in Swaziland in 1985 and has supported three projects, providing a total of US\$28.3 million in loans. One project is currently being implemented. Both closed projects have made positive contributions to improving crop yields and boosting farm incomes through enhanced farmer participation in small-scale irrigated agriculture.

The Government of Swaziland, key stakeholders and IFAD jointly formulated the second country strategy in 2006.

The country strategy is designed to reduce the high levels of poverty in rural areas and improve food security and livelihoods, especially for the most vulnerable and marginalized members of rural communities – households headed by women, households affected by HIV/AIDS, and young men and orphans. The strategic objectives are to:

- help rural poor people gain access to land and water
- support rural poor people in developing small businesses
- encourage rural communities, and particularly women and young people, to participate fully in rural development

IFAD's intention is to help poor rural households by creating sustainable jobs, reducing poverty and guaranteeing food security. To meet this goal IFAD places emphasis on intensifying agricultural output and supporting smallholders within irrigation schemes, as well as helping develop small rural businesses. In particular, IFAD works to improve linkages to financial services and markets, to support providers of financial and marketing services and to strengthen the capacity of poor rural communities and their institutions.

The Government of Swaziland, key stakeholders and IFAD are jointly designing a new investment focusing on rural finance and enterprise development.

Projects: 3  
Total cost: US\$133.4 million  
Total loan amount: US\$28.3 million  
Directly benefiting: 26,600 households

## Ongoing programmes and projects

### Lower Usuthu Smallholder Irrigation Project - Phase I

The project area is one of the poorest in the country. The climate is semi-arid, droughts are frequent and crop yields are unreliable. Most households in the area have access to less than 2 ha of land and can barely grow enough to feed themselves. Households rely heavily on remittances. For people in the area security of land tenure and access to water for irrigation are key means to improving rural livelihoods and reducing poverty.

The long-term objective of the project is to create favourable conditions so that farmers in the lower Usuthu basin will be able to commercialize their activities and develop sustainable, high-value crop production. The project is investing in a large-scale irrigation system for the area. Three dams are being constructed to form a reservoir to store water diverted from wet season flood flows in the Lower Usuthu River. The first phase involves construction of the main infrastructure and development of an irrigation system spanning more than 6,500 ha. A second phase will extend the irrigation system and develop a further 5,000 ha. The project works to ensure that the design of the irrigation system — a complex network of dams, water reservoirs and canals — is adequately meeting the demand for water and that it responds to the needs of farmers in a cost-efficient way.

Total cost: US\$190.0 million  
IFAD loan: US\$14.9 million  
Duration: 2004-2012  
Geographical area: lower Usuthu basin  
Directly benefiting: 2,600 households  
Cofinancing:

- Government of Swaziland (US\$ 70.0 million)
- African Development Bank (US\$12.7 million)
- Arab Bank for Economic Development in Africa (BADEA) (US\$11.7 million)
- Development Bank of South Africa (US\$9.4 million)
- European Investment Bank (US\$23.4 million)
- European Union (US\$11.0 million)
- Taiwan/CDF (US\$5.0 million)

## Completed operations

### Smallholder Agricultural Development Project

Total cost: US\$8.56 million  
IFAD loan: US\$7.10 million  
Duration: 1994-2002  
Geographical area: Swazi Nation Land  
Directly benefiting: 16,000 households

### Smallholder Credit and Marketing Project

Total cost: US\$8.30 million  
IFAD loan: US\$6.20 million  
Duration: 1985-1993  
Geographical area: Swazi Nation Land  
Directly benefiting: 8,000 households

#### Contact

Louise McDonald  
Country Programme Manager  
IFAD  
Via del Serafico, 107  
00142 Rome, Italy  
Tel: +39 0654592497  
Fax: +39 0654593497  
l.mcdonald@ifad.org

For further information on rural poverty in Swaziland, visit the Rural Poverty Portal: <http://www.ruralpovertyportal.org>



## Building a poverty-free world

IFAD is an international financial institution and a specialized United Nations agency dedicated to eradicating poverty and hunger in rural areas of developing countries. Through low-interest loans and grants, IFAD develops and finances programmes and projects that fit within national systems and respond to the needs, priorities and constraints identified by poor rural people themselves.

Since starting operations in 1978, IFAD has invested US\$9.8 billion in 751 programmes and projects around the world. These initiatives have enabled more than 310 million small farmers, herders, fishers, landless workers, artisans and members of indigenous communities to take steps to achieve better lives for themselves and their families.

But this represents only part of the total investment in IFAD programmes and projects. In the past 29 years, a further US\$16.4 billion in cofinancing has been provided by governments, project participants, multilateral and bilateral donors and other partners.

Working with partners, including poor rural people, governments, NGOs, financial and development institutions and the private sector, IFAD tackles poverty not just as a lender but also as an advocate for poor rural people. One of its priorities is to assist poor rural people in developing and strengthening their organizations so that they can advance their interests and remove the obstacles that prevent so many people, especially women, from creating better lives for themselves. In this way, poor rural people are able to participate more fully in determining and directing their own development.



Enabling poor rural people  
to overcome poverty

Via del Serafico, 107 - 00142 Rome, Italy  
Tel.: +39 0654591 - Fax: +39 065043463  
E-mail: [ifad@ifad.org](mailto:ifad@ifad.org)  
[www.ifad.org](http://www.ifad.org)