Ministry of Commerce, Industry and Trade

AfCFTA National Implementation Strategy: Kingdom of Eswatini 2024 – 2028

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ACRONYMS AND ABREVIATIONS

AfDB	African Development Bank
AfCFTA	African Continental Free Trade Area
AFREXIM BANK	African Export–Import Bank
AGOA	African Growth and Opportunity Act
AU	African Union
COMESA	Common Market for Eastern and Southern Africa
DBSA	Development Bank of Southern Africa
ERS	Economic Recovery Strategy
EU	European Union
FDI	Foreign Direct Investment
FINCORP	Eswatini Development Finance Cooperation
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
IPR	Intellectual Property Rights
IRM	Investor Road Map
IOA	Investment Opportunity Areas
ITC	International Trade Centre
ITD	International Trade Department
KPI	Key Performance Indicator
MSME	Micro, Small and Medium- size Enterprises
NES	National Export Strategy
NDS	National Development Strategy
NDP	National Development Plan
NTFC	National Trade Facilitation Committee
NTP	National Trade Policy
PAPSS	Pan-African Payment and Settlement System
PPP	Private Public Partnerships
PRSAP	Poverty Reduction Strategy and Action Plan
SACU	Southern African Customs Union
SADC	Southern Africa Development Community
SDG	Sustainable Development Goals
TFP	Total Factor Productivity
USAID	United States Aid for International Development

FOREWORD

The formulation of this African Continental Free Trade Area (AfCFTA) Implementation Strategy right from the beginning embraced an inclusive and participatory approach, with the active participation and inputs of relevant stakeholders drawn from both the public and private sectors, the legislature, non-state actors and other non-governmental organizations in Eswatini. This Strategy articulates our plans for trade in the continent of Africa, setting out our principled and holistic approach to trade policy. It also equips us with a robust trade and investment framework, and an action plan to enable us to achieve sustainable growth, to diversify our export markets, to grow our Eswatini economy, and to achieve higher living standards and wellbeing for eMaswati.

This project was undertaken by a team of local consultants comprising Zizwe Vilane and Khangezile Dlamini; Sinandiso Nkambule assisted the team in the coordination of interviews ahead of time. The team conducted field missions to consult with stakeholders in focus group discussions and in interviews as well as follow up exchanges by telephone and email to clarify information. It is safe to say ultimately, that the content of this Strategy reflects the views, concerns, inputs, expectations and aspirations from a wide range of stakeholders. The contributions of these stakeholders, too numerous to mention, are sincerely appreciated and acknowledged.

On the Government side, Ms. Lungile Mahlalela, Director of International Trade in the Ministry of Commerce, Industry and Trade and her team, played a major facilitation role, advising and assisting the consultants in gaining access to relevant persons. They were also key in organizing consultations, sensitization and validation workshops, and in mobilizing the active participation of stakeholders. Going forward, the Ministry will be core in ensuring the implementation of the activities outlined in the Strategy.

A special gratitude to the Office of the Right Honorable Prime Minister and the entire Cabinet, whose leadership ensured that the Strategy is aligned to the country's priorities and aspirations.

Finally, we would like to express our appreciation to the United Nations Economic Commission for Africa (UNECA) and the Government of Canada for the technical and financial backstopping, along with the United Nations Resident Coordinator's Office in Eswatini and other partners for the support to ensure that this exercise is accomplished.

I look forward to working with all the structures that have been proposed in the Strategy, some of which are not new, to propel the country to greater heights through trade.

Honorable Manqoba B. Khumalo (MP)
Minister of Commerce, Industry and Trade
Kingdom of Swaziland

EXECUTIVE SUMMARY

The Kingdom of Eswatini has always adopted a liberal approach to trade and investment being one of the most open and trade dependent economies in the world. The country's industrial policy and FDI strategy has always targeted export-oriented enterprises, owing to its small domestic market. The structure of Eswatini's economy is dominated by the service sector which accounted for 52 per cent of total value added in 2021, compared to 43 per cent in 2010.

Much as Eswatini's trade profile has somewhat changed, there is still heavy dependence on few exports to fewer markets, with South Africa, accounting for more than 80 per cent of its exports, in terms of geographic concentration of trade. Before that, the UK was the country's largest single export destination between 1968 and 1980, absorbing 29 per cent of Eswatini's exports. Only 20 per cent of exports were absorbed by South Africa during this period. The UK currently absorbs on average of about 5 per cent of the country's exports reducing even further (1.28 per cent) between 2005 and 2015. In terms of product concentration, the top three export commodities in the 80's were, sugar (32.88 per cent), minerals (19.93 per cent) and wood pulp (17.02 per cent).

The net effect of the AfCFTA on African trade is significantly positive in absolute terms, as intra-African trade would increase by over US$ 195 billion, while African trade with the rest of the world would decrease by US$ 30 billion. This would represent a 34.2 per cent increase in intra-Africa trade. Eswatini has submitted its AfCFTA offer under SACU, which sets a common external tariff with third parties and determines most of its commitments in most trade agreements. In this regard, Eswatini is able to make deeper commitments when engaging as SACU rather than at individual member state level. This emphasizes the country's need to adopt strategies that resonate with deeper bilateral trade agreements. All the SACU Member states have ratified the AfCFTA agreement and submitted their final offer which has been adopted by the Council of Ministers.

The immediate focus for Eswatini is to take advantage of preferential access to the African market under the AfCFTA. This entails maximising on the sectors where the country currently possesses competitive strength, whilst putting the building blocks that will allow for increased volumes and diversity of exports in both goods and services. The current sectors under trade in goods include ***agro processing (agriculture and food processing); sugar value chain; clothing and textiles; beef and the leather value chain.*** Under trade in services, ***tourism, transport, financial, professional services, communication services, creative industries, including sports, music and art are identified as priority sectors.*** The production of automotive accessories and components (mostly at Tier 2 and Tier 3 level and the pharmaceuticals industry value chains) have been suggested for further development as they hold some potential for Eswatini but are under-developed.

The **Eswatini AfCFTA Implementation Strategy** is informed by the issues raised above and those explored below. The vision for the strategy is ***"To provide a strategic roadmap for Eswatini to maximise the country's benefits under the AfCFTA targeting an annual regional export growth of at least 10 per cent".*** The strategy is based on seven strategic objectives.

- ***a) Strategic Objective 1:*** *To increase and diversify local production for AfCFTA markets in priority sectors.*
- ***b) Strategic Objective 2:*** *To develop MSME export readiness programmes targeting AfCFTA markets.*
- ***c) Strategic Objective 3:*** *To improve access to development finance to encourage exports.*
- ***d) Strategic Objective 4:*** *To improve border management coordination at domestic and bilateral levels.*
- ***e) Strategic Objective 5:*** *To increase sector specific support for AfCFTA prioritised and other identified sectors in trade in goods.*
- ***f) Strategic Objective 6:*** *To prioritise business climate improvements.*
- ***g) Strategic Objective 7:*** *To develop a competitive services sector to attract investment and diversify exports.*

In terms of **monitoring and evaluation**, the proposed AfCFTA National Implementation Committee will be responsible for the monitoring and implementation of the strategy, including Eswatini's commitments under the AfCFTA, through the action plan included in the strategy document. It will be under the existing National Trade Facilitation Committee under the International Trade Department in the Ministry of Commerce, Industry and Trade which draws membership from a wide cross-section of stakeholders.

Resources and capacity constraints are challenges for the NTFC to effectively deliver on its mandate. Resources for the NTFC Secretariat will be critical for the implementation of the AfCFTA Strategy. In as far as AfCFTA implementation, an **action plan** drawn from the seven strategic objectives, is attached with clear activity items, responsible persons, indicators and expected timelines to serve as the indicative roadmap for Eswatini to realise its AfCFTA vision.

The strategy must be supported by an active **communication and visibility plan** to ensure that there is adequate public awareness and involvement in AfCFTA issues. The proposed communication plan leverages various channels from website communication to an active social media strategy and AfCFTA Champions. To support the implementation of the strategy, the accompanying proposed financial mechanisms include approaching development partners, leveraging the AfCFTA Adjustment Fund and encouraging local financial institutions to be part of regional de-risking platforms, including the Pan-African Payment and Settlement System (PAPS

1.0 BACKGROUND TO AfCFTA STRATEGIES

1.1 Rationale for Eswatini's AfCFTA Implementation Strategy

Eswatini, consequent to its size, population and locus, has a relatively small domestic market, which has seen the country opening up early to allow for export oriented Foreign Direct Investment (FDI), leveraging existing market access agreements as an attraction towards a much bigger market. This precarious position has resulted in the country being a member of multiple regional trade blocs. Membership of Eswatini in the Southern African Customs Union Area (SACU), which sets a common external tariff with third parties, determines most of its commitments in most trade agreements.

For the country to harness the benefits of the AfCFTA, it is important that Eswatini undertakes deliberate actions including the development of an integrated strategy tailored to existing policies and institutional frameworks at national and regional levels. These are critical to minimize any potential risks. The identification of capacity gaps to be addressed, as well as the country's comparative and competitive advantages for diversification and capabilities for developing or integrating value chains, is key to ensuring the Agreement delivers on the expected outcomes. Regional trade agreements like the AfCFTA are the lifeblood of the economy for small landlocked economies such as Eswatini. To effectively take advantage of the market access opportunities presented by the AfCFTA, Eswatini, like the rest of the AU member States, has to develop a practical and effective strategy for the country's private sector to be better positioned to take advantage of the AfCFTA market comprising 1.3 billion people with a market share of more than US$3.4 trillion.

The AfCFTA is expected to generate a wide range of socio-economic development benefits through supporting trade creation, structural transformation, and poverty reduction, with substantial impact in terms of employment generation and rising incomes for youth, women and persons with disabilities and other marginalised groups. It is also expected to make a significant contribution to the country's ongoing efforts to materialize the aspirations and goals contained in Agenda 2063 and the Sustainable Development Goals SDG's Agenda 2030.

The AfCFTA negotiations are scheduled in phases. Phase I covers trade in goods and services. Phase II covers Intellectual Property Rights (IPR), investment and competition policy. Phase III covers digital trade and women and youth in trade. Phase I negotiations produced the AfCFTA Agreement, Protocol on Trade in Goods, Protocol on Trade in Services and Protocol on Rules and Procedures on the Settlement of Disputes and their annexes and appendices. These legal instruments entered into force on 30th May 2020. The outcomes of the negotiations of Phase II and III issues shall be constituted into Protocols on IPRs, Investment, Competition Policy, Digital Trade and Women and Youth in Trade and shall form part of the single undertaking upon entry into force (Art. 8 of the AfCFTA Agreement).

1.2 Objective and Scope of AfCFTA National Implementation Strategy

The key objective of the AfCFTA national strategy is to complement a broader development framework, especially in relation to the trade policy environment of Eswatini to the AfCFTA Agreement. The national strategy will facilitate the identification of regional value chains that can be exploited, maximising value addition, identifying trade opportunities and constraints, including measures and capacities required to take full advantage of national, regional, and global markets for both goods and services within the context of AfCFTA.

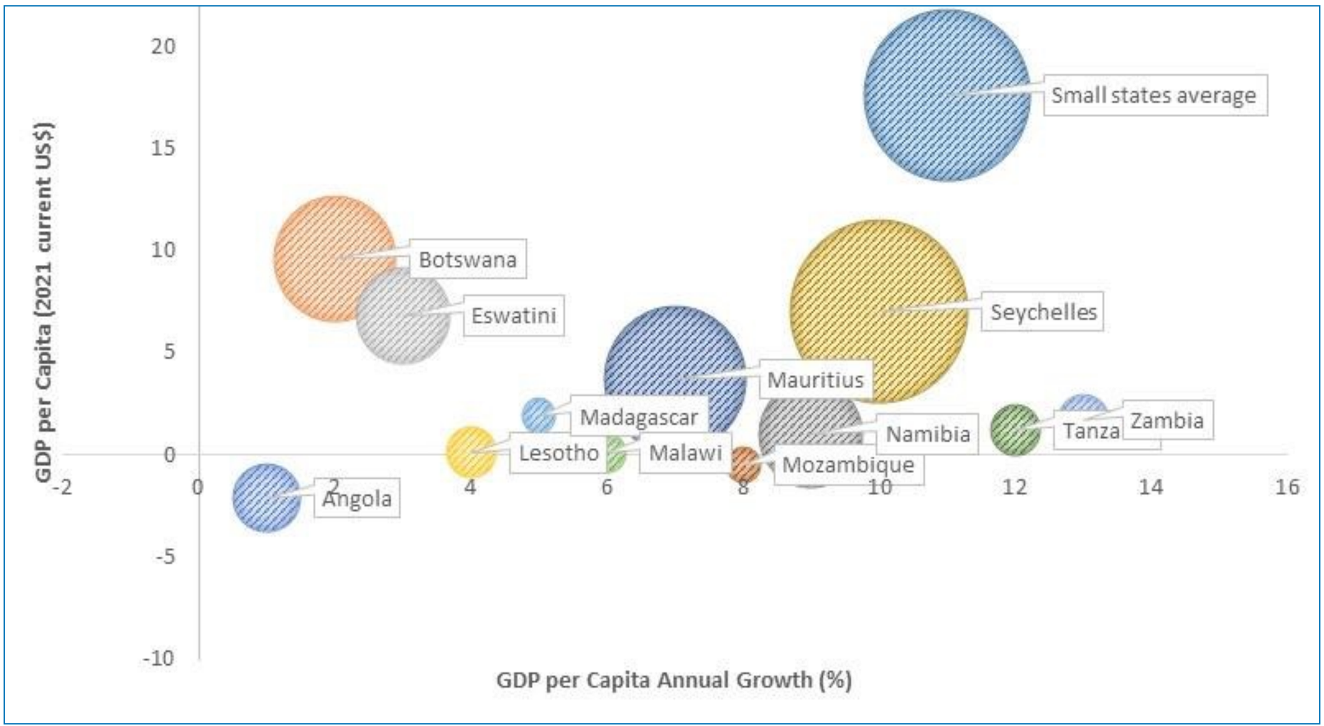
2.0 MACRO-ECONOMIC REVIEW AND TRADE POLICY FRAMEWORK

Eswatini's economic growth rate has been deteriorating over the past three decades and that reality has persisted even in the period of 2010 - 2021. Eswatini's economy has been growing only marginally at an average of 2 per cent per annum exacerbated by the fiscal crisis in 2010 induced by the global economic meltdown in 2008. After the 2010/2011 fiscal crisis, there was an increase in GDP growth rates with a slight peak at 3.9 per cent in 2013 due to improvements in the secondary and tertiary sectors. The economic decline from 2.3 per cent to 1.3 per cent in 2015, and 2016 respectively is reflective of the effects of the 2015/16 El Niño induced drought which affected the primary sector. The primary sector relies on agriculture production; hence the performance of the sector suffers substantially when there is low production of cash crops and livestock.

Eswatini's persistent poor growth in the past decade reflects a variety of influences. These include external shocks, particularly the erosion of preferential access to the EU and US markets, the global COVID-19 pandemic, climate change, and low domestic production capabilities. These shocks have exposed key structural weaknesses in the economy and underscore the need for change. A major observation over the period under review is that Eswatini's primary sector has been shrinking over the years, resulting from an overall decline in domestic production alongside an increase in agricultural imports. The sector's vulnerability to climatic conditions and recurring droughts in the country has suppressed potential growth especially in the period 2014 to 2017. In 2018, however, the primary sector bounced back from four years of negative growth from -4.1 per cent in 2017 to 7.4 per cent increase in 2018.

Growth in income per capita has also lagged that of comparator countries (Figure 1 and Figure 2b). The figure compares income per capita in 2021 against growth in income per capita for a selection of African countries and the average of a sample of small states. It clearly illustrates that not only is Eswatini smaller in absolute terms than the average small state, but it is also poorer (lower per capita GDP ratio) and has grown slower over the last few decades.

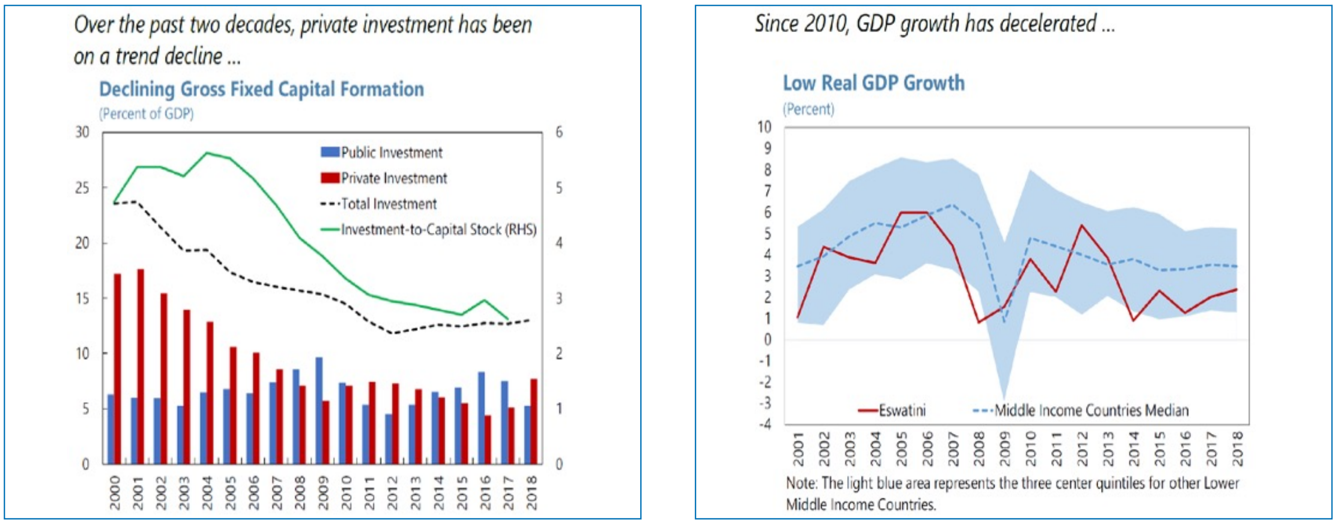
Figure 1: GDP per Capital



Source: WITS, World Bank

Note: Size of bubble reflects 2021 current GDP in US$)

Figure 2a and 2b: Changes in Economy



Source: IMF, 2020, Country Report No. 20/41, Kingdom of Eswatini, Article IV Consultation.

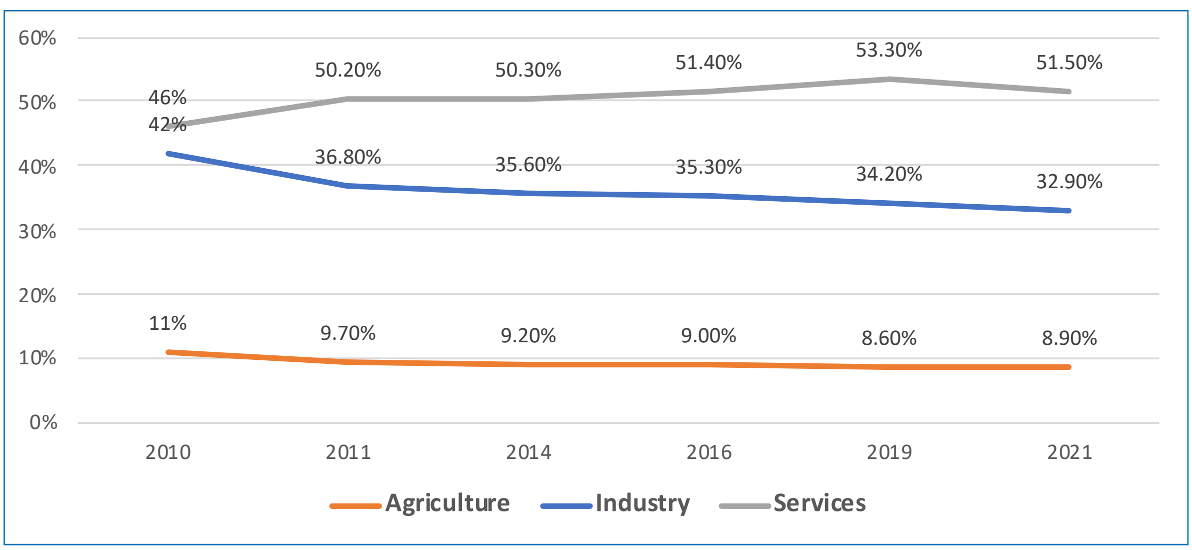
Over the past two decades, private sector investment has been declining from 17 per cent of GDP in early 2000s to around 7 per cent in 2018 (Figure 2a). As a result, total factor productivity (TFP) contribution to growth has declined from 2.3 per cent in the early 2000s to 0.3 per cent presently. This indicates a decline in the capacity of and vitality of Eswatini's private sector to produce goods and services that can spur sustained levels of growth. In fact, TFP defines the part of the total output not explained by the number of inputs used in production in the economy. This makes a strong argument for Eswatini to consider a service-based economy or at the very least, conduct studies on this option.

2.1 Structure of the economy

Eswatini, as a small open economy, relies on exports as an engine of growth. Agriculture forms the bedrock of the economy as it is an economic catalyst that acts as a supporting sector for the growth of the more value adding sectors, being industry and services sectors, whilst also the major source of rural employment. Eswatini's economy comprises agriculture (11 per cent of GDP), industry (37 per cent of GDP), and services (52 per cent of GDP).

The structure of Eswatini's economy, as reflected in figure 3, has been dominated by the services sector which has accounted for almost half of the total value added between 2011 and 2021. The industrial and services sectors of the economy have grown rapidly (in nominal terms) in the last decade compared to previous decades. The services sector, in particular, has shown significant growth and accounted for 52 per cent of total value added in 2021, compared to 43 per cent in 2010.

Figure 3: Structure of Eswatini's Economy



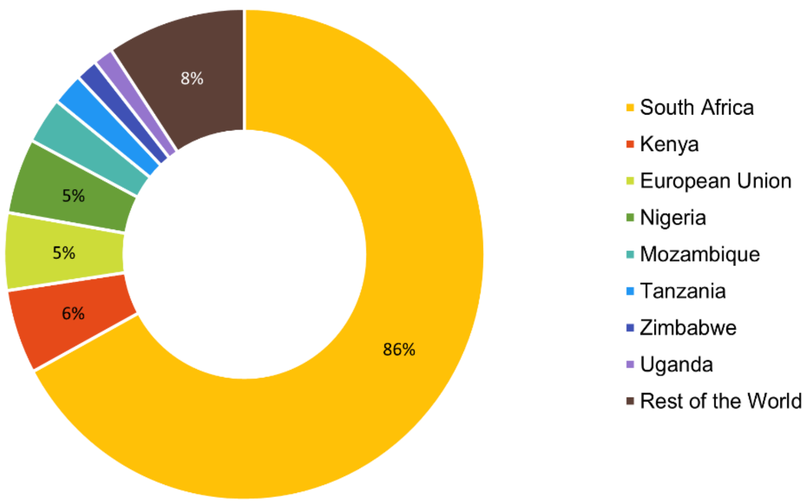
Source: WITS, World Bank

The growth in the services and industrial sectors is the result of increased productivity that has been accompanied by the continuous adoption of the technological processes for operations in these sectors. The services sector remains substantial, though 14.5 per cent of GDP (at factor cost) is accounted for by government services[1] .The agricultural sector, by comparison, has grown little over the last decade, with its share of value-added declining from 11 per cent in 2010 to 9 per cent in 2021 (Figure 3). The low growth rate can be attributed to the impacts of the El Nino drought of 2015 which crippled the sector.

2.2 Direction and structure of Eswatini's intra-African Trade

Proximity and high rates of protection from foreign competition have strongly influenced the composition and the destination of Eswatini's exports. South Africa is by far the dominant destination for Eswatini's exports accounting for between 85 and 90 per cent of total exports (depending on the data used). African destinations outside of South Africa now make up 11 per cent of Eswatini's exports, a significant increase from the 3 per cent in 2000. These markets include Kenya (6 per cent) and Nigeria (5 per cent), among others. Only 8 per cent of total exports ($135 million) are destined overseas as presented in figure 4 below.

Figure 4: Destination Markets for Eswatini's Exports



Source: International Trade Centre, 2021

2.3 Trade Policy & Regulatory Frameworks

Eswatini is signatory to various regional and international market access agreements, which include the following: SADC, AfCFTA, ECA, SACU, COMESA, SADC-EU, EPA, SACU- EFTA, SACU and Mozambique. Others include UK-EPA, SACU-MERCOSUR, PTA, AGOA, EAC and TFTA[2] and Generalized System of Preferences (GSP). Eswatini is one of the world's most trade-dependent economies.

To support the trade policy directives, the Eswatini government has put in place various legislation aimed at improving the trade regime to, among others, enhance competitiveness in trade; improve the operating environment by protecting the domestic market from unfair trade practices; and establishing an effective trade remedy regime.

The National Trade Policy (NTP, 2017 - 2022) was the first attempt to have one single document that captured the country's direction, as Eswatini never had a comprehensive trade policy. The vision of the NTP was to transform Eswatini into a dynamic and export-led globally competitive economy, with value addition and export diversification, which would enable the trade sector to function as an engine for sustainable growth and prosperity.

The National Export Strategy (NES) was last developed in 2006. Its vision was to attain sustainable economic growth through enhanced competitiveness, value addition and export diversification in targeted sectors and strong public private partnerships contributing to the prosperity of the people. A key challenge in Eswatini relates to the lack of a coherent policy and regulatory environment that promotes production, export readiness and export promotion.

1 Based on data from Central Bank of Eswatini Quarterly Report.
2 ECA (Economic Cooperation Agreement); EPA (Economic Partnership Agreement); FTA (Free Trade Area); PTA (Preferential Trade Area); EAC (East Africa Community); TFTA (Tripartite Free Trade Area)

3.0 PRIORITY SECTORS FOR ESWATINI

The economic and trade performance of the Eswatini economy is reliant on the competence of its services sector. Services are an input into the production of goods and services and a major contributor to inclusive growth and poverty alleviation. Moreover, a greater part of the country's employment and income is generated from the services sector. Furthermore, many services are vital intermediate inputs for other sectors. The strategy is centred on the development of seven (7) key services sectors that have the potential not only to increase trade's contribution to the country's economic development but also improve Eswatini's business environment (Table 1). The country is also landlocked and needs to explore sources of efficiency improvements across all sectors of the economy including telecommunications and other infrastructural development which will link it to continental markets.

Eswatini has comparative advantage in certain manufacturing and agro industries, which inform the country's AfCFTA priorities. The identified areas also form part of the government's priority areas. Over the years and as shown from trade data, Eswatini exports various goods, including clothing, timber, drink concentrates and sugar, amongst its key exports (Table 1). The strategy is to build on the existing goods basket, whilst leveraging developing regional value chains in new areas, including automotive components and pharmaceuticals value chains.

Trade in services is very important to the national economy as they play a major role in the manufacturing of goods, distribution, and support, whilst also being a commodity to the services sector. In the services sector, the strategy takes a sector-led approach as the basis for the choice of the priority services sectors, which is motivated by these having been prioritized at SADC (except construction, professional and energy), COMESA (all except energy and construction), and AfCFTA. Aligning the priority sectors with those identified by the regional blocs makes it easier to collaborate and coordinate joint programmes as well as harmonization of regulatory frameworks and minimize regulatory divergence. As a landlocked country, Eswatini can "transport" professional services electronically and the communication service sector, particularly telecommunication services, are the core of the digital economy, enabling e-commerce in goods and services as well as allow traders to conduct business transactions faster and more efficiently. The financial services sector is the primary driver of a nation's economy and provides the free flow of capital and liquidity in the marketplace. Although financial services in Eswatini are dominated by South African banks and to a lesser degree by foreign insurers, their importance as crucial inputs into many economic activities and key producer services cannot be downplayed.

Transport is an indispensable part of commerce and trade and provides vital distribution for production, as well as essential personal mobility and directly interconnecting businesses to worldwide markets. Because of Eswatini's geographic position, improving transport services will automatically enhance its competitiveness. The tourism services sector has been identified as one of the key sectors to rejuvenate the economy after the advent of COVID-19. Growth of the tourism industry means more job opportunities for Emaswati in other sectors such as hospitality, transportation, entertainment, sports and the creative industries.

Table 1: AfCFTA Priority Sectors for Eswatini-Trade in Goods and Services

<table>
<tr><th>Category</th><th>Trade in Goods</th><th>Trade in Services</th></tr>
<tr><td rowspan="7">Priority Sector</td><td rowspan="3">Agro-Industries
- Agriculture
- Food processing
- Beef</td><td>Business services
- Professional services
- Research and development</td></tr>
<tr><td>Communication services</td></tr>
<tr><td>Financial services
- Banking
- Insurance</td></tr>
<tr><td rowspan="2">Manufacturing
- Clothing & textiles
- Sugar value chain (Confectionery, etc)
- Light manufacturing</td><td>Tourism and travel related services</td></tr>
<tr><td>Construction services
(Roads, Buildings, Architectural, Engineering, etc.)</td></tr>
<tr><td rowspan="2">Further development
- Automotive components
- Pharmaceutical value chain</td><td>Transport services</td></tr>
<tr><td>Sports and creative industries (Music, Arts)</td></tr>
</table>

4.0 THE ESWATINI AfCFTA IMPLEMENTATION STRATEGY

4.1 Strategic Objectives & Action Plan

4.1.1 Vision

"To provide a strategic roadmap for Eswatini to maximise the country's benefits under the AfCFTA targeting an annual regional export growth of at least 10 per cent".

4.1.2 Strategic Objectives

a) **Strategic Objective 1: To increase and diversify local production for AfCFTA markets in priority sectors,** targeting an increase in share of regional exports of at least 10 per cent annually. Eswatini's exports to the region have grown, although most exports are routed via South Africa, whilst exports to the EU and US have dropped over the years. At the same time, Eswatini has limited products to export and the country's exports under services have been very low. The literature shows that Eswatini has dropped in terms of its trade performance over the years, with a few exports to a few markets, implying the need for increased productivity in exports with a comparative advantage, diversification to newer products and markets and enhanced competitiveness. Similarly, there is need to increase the country's services exports as the focus has traditionally been on promoting trade in goods only.

b) **Strategic Objective 2: To develop MSME export readiness programmes targeting AfCFTA markets.** There are few export-ready firms in Eswatini and most lack the finance and capacity to get accredited. The development of a support scheme to help MSMEs, especially women, youth and people living with disabilities get accreditation and improve compliance will go a long way in encouraging exports and ensuring that exporters comply with standards, such as sanitary and phyto-sanitary measures in export markets.

c) **Strategic Objective 3: To improve access to development finance to encourage exports.** As part of encouraging domestic production, local entrepreneurs often cite the issue of access to development finance as a major obstacle to growing their business. To expand regional exports, development finance and sector specific capital must be provided to local producers/entrepreneurs, including de-risking investments in sensitive sectors like agriculture and energy among others.

d) **Strategic Objective 4: To improve border management coordination at domestic and bilateral levels.** Inefficiencies in areas such as customs and transport can be roadblocks to efforts of integration into the regional economy and may severely impair export competitiveness or inflow of foreign direct investment. These challenges would have to be reduced to actionable points. Eswatini and South Africa use different systems at the borders, making it difficult to seamlessly share data. Being in a customs union, the two countries should explore a single border option amongst other border management improvements.

e) **Strategic Objective 5: To increase sector specific support for AfCFTA prioritised and other identified sectors for trade in goods.** The priority sectors that Eswatini desires to pursue suffer from a number of constraints, some of which are common across sectors as highlighted in some of the strategic objectives. Some of the constraints, though require sector specific interventions to address productivity and value creation options.

f) **Strategic Objective 6: To prioritise business climate improvements** targeting a predictable, transparent and cost effective administrative, regulatory and policy environment that encourages both domestic and foreign investors whilst ensuring the inclusion of women, youth and people living with disabilities. Developing a harmonisation and integration roadmap and action plan for the country will ensure proper alignment of regulations, laws and policies at country level with regional commitments.

g) **Strategic Objective 7: To develop a competitive services sector** to raise productivity, increase efficiencies and inculcate quality consciousness to attract investment whilst improving innovation to create employment and diversify the country's exports, including access to regional and global value chains. Institutional and regulatory measures can also enhance national competitiveness especially in the services sector. Services exports have typically focused on the tourism industry and creative industries, with local musicians for example, providing services within the region. Local contractors have also been active beyond local borders, with activities in markets like Mozambique, Zambia and Uganda, amongst other regional target markets. There is need to increase the country's services exports as the focus has always been on encouraging trade in goods.

Table 2: Summary National Implementation Strategy for Eswatini

ESWATINI AfCFTA NATIONAL IMPLEMENTATION STRATEGY						
Regional Building Blocs for Eswatini			SACU	SADC	COMESA	
Vision: *"To provide a strategic roadmap for Eswatini to maximise the country's benefits under the AfCFTA targeting an annual regional export growth of at least 10%".*						
National Building Blocs for Eswatini			NDS/NDP	ERS&IRM	PRSAP	
STRATEGIC PILLARS						
Increase and diversify local production for AfCFTA markets in priority sectors.	Develop MSME export readiness programme targeting AfCFTA markets	Improve access to development finance to encourage exports.	Improve border management coordination at domestic and bilateral level.	Increase sector specific support to address sectorial constraints .	Prioritise business climate improvements	Develop a competitive services sector to attract investment & diversify exports.
• *Develop Value chain prioritisation strategy.* • *Improve regional market access.* • *Improve agricultural extension services.* • *Prioritise investment into Quality Assurance Infrastructure* • *Increase creative industries and sports support.* • *Services data collection systems*	• *Export readiness training for MSMEs.* • *Development of AfCFTA Export Guides.* • *Development of local certification scheme.* • *Increase share of regional services exports* • *Strengthen institutional capacity for enhanced support to services sector MSMEs*	• *Fast-track development of movable assets register.* • *Development of national agro-insurance scheme.* • *Promote Small-scale Guarantee Scheme.* • *Improve access to finance for creative industries.* • *Improve/raise the financial sector understanding of services complexity.*	• *Implementation of the national trade single window.* • *Review value added tax refund procedures.* • *Development of One-Stop-Border Post with South Africa.* • *Improving Trade Data & Information availability.* • *Improve access to trade information & opportunities.* • *Customs Support desk for women in cross border trade to help with documentation.*	• *Development of textile and leather training school.* • *Development of Agriculture & Industrialisation Fund.* • *Development of automotive cluster in Eswatini.* • *Development of Pharmaceutical Industry value chain.* • *Review of SEZ Act and Strategy.* • *Review Eswatini Trade Policy to include trade in* • *services.*	• *Review and prioritise operations of National Trade Facilitation Committee* • *Prioritise Investor Roadmap Initiative.* • *Implement e-Government Strategy.* • *Develop incentives policy framework for target value chains.* • *Review of Arts & Culture Policy*	• *Liberalization programs and research to increase tradability of services.* • *Strengthen national & regional policies, to promote transport infrastructure.* • *Improve services data collection systems, policy and regulation coherence.* • *Review Trade Policy to include trade in services.*
Cross-Cutting Issues						
Gender	Technology & Digitisation	Climate Change	Transport & Logistics			

LEGEND:
NDS: National Development Strategy
NDP: National Development Plan
ERS: Economic Recovery Strategy
IRM: Investor Road Map
PRSAP: Poverty Reduction Strategy and Action Plan


nucane
the good sugar
ESWATINI SUGAR
ASSOCIATION
Product Name: Nucane
Weight: 1000kg

5.0 ACTION PLAN LOGFRAME

The national implementation strategy focuses on Eswatini's main strategic objectives to help the country take advantage of the AfCFTA market. The proposed log frame in table 3 below assigns clear responsibilities to specific institutions, with the lead agency being the first named institution under each specific activity.

Table 3: Action Plan Log Frame

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
Strategic Objective 1: Increase and diversify local production for AfCFTA markets in priority sectors.				
1.1 Product Prioritisation to identify one or two value chains to target in goods and improve market access of domestic products and services.	1.1.1 Commission studies to identify niche agro products/value chains that Eswatini can focus on goods	ESEPARC, MEPD, MoA, MCIT, BE	1 – 5 2 years	• Study identifying value chains and prioritisation for Eswatini considering AfCFTA markets.
	1.1.2 Develop medium-term strategies and inter-ministry coordination mechanism for identified value chains.	MCIT, MEPD, MoA, EIPA, IRM Unit	12 months	• Staggered value chain strategy for Eswatini prioritising an initial two value chains over the medium term.
1.2 Undertake country and product marketing in target markets.	1.2.1 Country marketing strategy and development of national brands in priority sub-sectors.	SWASA, NAMBOARD, BE, FESBC, MCIT, EIPA	12 – 24 months	• National Quality mark • Targeted marketing campaigns
	1.2.2 Establish market presence through agents and partnerships.	MoFAIC, MCIT, NAMBOARD, EIPA	12 – 36 months	• Appointment of marketing agents. • Establish strategic trade offices through embassy network
	1.2.3 Undertake trade and buyer missions to AfCFTA member countries.	EIPA, ITD	12 – 24 months	• Target countries with better value chain
1.3 Prioritise investment into Quality Assurance Infrastructure.	1.3.1 Proposal to mobilise resources to develop testing and compliance facilities for priority value chains.	SWASA, RQID, ITD, MoA, MoH	6 – 12 months	• Proposal for development of targeted quality assurance infrastructure. • TORs/Tender for development of testing laboratory.
1.4 Undertake trade and buyer missions to AfCFTA Member Countries.	1.4.1 Identification of regional trade events to promote local products. 1.4.2 Undertake regional country trade and investments missions.	EIPA, ITD, BE, FESBC	3 – 12 months	• Compendium of regional trade events • Outward trade missions undertaken. • Inward buyer missions hosted

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
1.5 Establish local marketing presence in identified foreign markets.	1.5.1 Development of local/national marketing brands 1.5.2 Partnerships or agents in key markets to grow regional footprint	EIPA, SWASA, ITD, BE, FESBC	6 – 36 months	• National brand to promote Eswatini regionally. • Trained trade attaches in embassies • Agency and partnership agreements with regional distributors etc.
1.6 Reform and improve agricultural technical and extension support services.	1.6.1 Conduct review of current extension services to identify areas of improvement.	MoA, MoF, NAMBOARD, ESEPARC, ESWADE	6 – 24 months	• Assessment report on extension services reforms for Eswatini.
	1.6.2 Develop modern extension services model to support farmer innovation and productivity.	MoA, MoF, NAMBOARD, ESEPARC, ESWADE	18 – 36 months	• Revised extension services strategy and launch event.
1.7 Development of farmer aggregation centres and clusters.	1.7.1 Identification and development of farmer groups and association by either locality or crop. e.g., Tomato Growers Association.	MoA, ESWADE, MCIT, ENAU, ESEPARC	6 – 24 months	• Number of new associations formed. • Increase in number of product groups
	1.7.2 Mapping of cluster members including land size, crops, input requirements etc.	MoA, RSTP, MoTAD NAMBOARD, ESWADE	6 – 24 months	• Database of local clusters and associations, including activities undertaken
	1.7.3 Development of farmer collective buying/group buying schemes.	MoA, ESWADE, MCIT (Cooperatives)	6 – 24 months	• Group buying schemes across value chains/commodities. • Lowered sourcing costs
Strategic Objective 2: Develop MSME export readiness programmes targeting AfCFTA markets.				
2.1 Export readiness training for MSMEs.	2.1.1 Develop MSME Export Readiness Programme to increase number of export ready firms.	EIPA, ITD, MoF, MCIT, RQID, SWASA,	6 – 24 months	• MSME Export Readiness modules • LMS on export readiness
	2.1.2 Development of MSME training on key standards like ISO 9001, FSSC, HACCP, Global GAP & others.	EIPA, ITD, MoF, MCIT, RQID, SWASA,	12 – 36 months	• Training Modules • Training schedules
2.2 Development of AfCFTA Export Guides for MSMEs.	2.2.1 Development of TORs for AfCFTA Export Guide.	MCIT, ITD, EIPA	6 – 12 months	• TORs, AfCFTA Export Guide for Eswatini
	2.2.2 Resource mobilisation for export guides.	MCIT, ITD, EIPA	12 – 24 months	• Proposal for AfCFTA Export Guide

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
2.3 Increase share of regional services exports.	2.3.1 Undertaking study to identify services that Eswatini entrepreneurs can provide.	MCIT, ERS, CBE, ESEPARC,	6 – 18 months	• Study or Services Directory for Eswatini's MSMEs
	2.3.2 Development of capacity building programmes for MSMEs in identified service sectors.	MCIT, ERS, CBE, CSO, BE, FESBC		• Training programme for MSMEs in specific service industry sub-sectors.
2.4 Increase acceptance of local products through increased certification and compliance of local MSMEs.	2.4.1 Development of local standards to improve access to domestic market, including graduation to international standards.	SWASA, RQID, UNDP	6 – 12 months	• Local standard documents
	2.4.2 Development of MSME Accreditation Support Scheme	EIPA, ITD, MoF, MCIT, RQID, SWASA,	6 – 36 months	• Proposal for MSME Accreditation scheme including funding mechanisms.
2.5 Strengthen institutional capacity for enhanced support to services sector MSMEs.	2.5.1 Trainings and tailored activities to strengthen the skills needed to develop and build effective capacity at individual and institutional level to create sustainable, resilient and inclusive entities.	MCIT, SEDCO, MoSCYA, DPM's Office and NGO's that promote economic empowerment	12 – 60 months	• Training modules, certification, and formal categorization of MSE's
Strategic Objective 3 Improve access to development finance to encourage exports.				
3.1 Development of a movable assets register to allow for MSMEs to raise funding against their movable assets.	3.1.1 Technical Assistance (TA) to conduct study on development of movable assets register and credit bureau.	MoF, SBA, CBS, FSRA, CFI	12 – 24 months	• Request for TA • Study on development of movable assets register for Eswatini
3.2 De-risk agriculture financing through development of national agro-insurance scheme.	3.2.1 Conduct study to consider introduction of national agro insurance to encourage domestic production.	MoA, CFI, MoF, FSRA,	12 – 24 months	• Study on feasibility of national agro-insurance scheme.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
3.3 Review land policy to allow farmers on SNL to use land as collateral.	3.3.1 Implement a clear land reform strategy targeting access and collateral issues.	MNRE, PM's, MoA, MoTAD	6 - 24 months	• Land reform strategy allowing SNL to be used as collateral approved. • Database of available government farms for lease. • Transparent process for leasing farms in place or Development of Block Farming.
3.4 Recapitalise and promote the Export Credit Guarantee Scheme.	3.4.1 Review operations of the Export Credit Guarantee Scheme and develop strategy to commercialise and recapitalise the fund.	CBS, MoF, MCIT, ITD	6 – 12 months	• Review paper and strategy to align Export Credit Guarantee Scheme to AfCFTA.
3.5 Improve access to finance for creative industries.	3.5.1 Conduct study to look at possible funding mechanisms for creative industry entrepreneurs.	MoSCYA, ENAC, MoF, EIFTPA	6 – 12 months	• Study Report on funding mechanisms for creative industries in Eswatini.
3.6 Embark on an AfCFTA awareness program raising private and public interest and engagement on the continental agreement domestically.	3.6.1 Proposal to mobilise resources for implementing the communication strategy for AfCFTA.	MCIT, MoF, MEPD	6 – 12 months	• Resource mobilisation proposal • Costed communication and visibility plan for AfCFTA.
3.7 Foster an enabling business environment for improved market access for trade in services including addressing discriminatory practices as they relate to the 4 modes of supply.	3.7.1 Develop reform programme and national strategy for Trade in Services	MCIT, MoF, EBA, FSRA, MoSCYA, BE, FESBC, ASBC	12 – 24 months	• Business climate improvements including a Trade in Services Reform strategy. • National Trade in Services Strategy

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
3.8 Improve/raise the financial sector understanding of services complexity, so that there are incentives for entrepreneurship.	3.8.1 Develop training programmes for local institutions including banks on trade in services and their importance.	MoF, EBA, FSRA, MoSCYA, MCIT	6 - 12 months	• Training programmes on trade in services • Information bulletins on trade in services
Strategic Objective 4: Improve border management coordination at domestic and bilateral levels				
4.2 Improve access to trade information and opportunities.	4.2.1 Establish/upgrade online marketing/ market and information portal to raise awareness on opportunities within AfCFTA in goods and services.	ITD, EIPA, CSO, ERS, MCIT, MEPD, MoA	6 – 18 months	• Online eCommerce platform for Eswatini with supporting payment gateway. • Upgraded information portal to increase awareness on AfCFTA.
	4.2.2 Capacity building programme for embassies on marketing, data collection, market intelligence and dissemination.	MoFAIC, ESEPARC, MEPD, ITD, EIPA,	6 – 18 months	• Inter-agency programme for Embassies • Improved capacity of embassy staff on marketing, data collection, market intelligence and dissemination.
	4.2.3 Negotiate double taxation avoidance agreements with African nations to encourage trade.	MoF, MCIT, MEPD, ITD, EIPA	Ongoing	• Increase in number of DTA signed. • Increased trade, investor confidence and improvements in BEPS (Base erosion & profit shifting).
	4.2.4 Undertake Regional Trade Missions.	EIPA, ITD, BE, FESBC	Quarterly	• Attendance in regional trade fairs. • Increased awareness on regional market offers.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
4.3 Improve border management coordination at domestic and bilateral levels.	4.3.1 Review and streamline value added tax refund procedures.	MoF, ERS	6 – 12 months	• Publishing of revised procedures. • Faster VAT refund processing times and improved working capital
	4.3.2 Implement the national trade single window.	MoF, ERS, RSTP	12 – 36 months	• Assessment report of risks, challenges, and capabilities for single window. • Single window development strategy covering governance structures, human & financial resources.
	4.3.3 Development of One Stop Border Post (OSBP) with South Africa.	MoF, ERS, RSA, SARS	24 – 48 months	• Parliamentary approval of OSBP • Reduced border clearing times. • Increased trade and tourism
	4.3.4 Improving accelerated controls for perishable goods.	ERS, MoA, MoF	6 – 18 months	• Special controls for perishable goods • Dedicated counter for perishable goods exporters/importers.
	4.3.5 Development of support desk for women in cross border trade to help with documentation.	ERS, MCIT	6 – 12 months	• Help desk at main borders for cross border traders (support with forms like SAD 500).
	4.3.6 Increase cooperation between customs, other government agencies and border authorities to enable electronic sharing of documents and establishing common procedures for processing and control.	ERS, MCIT, Min of ICT, other relevant government agencies	6 – 24 months	• Coordination mechanism in place • Electronic data inter-change within government operational.
	4.3.7 Facilitate trade and transport operators to make a single submission of trade documents and information that will satisfy all import, export, and transit regulations.	ERS, MCIT, MoFA	6 – 24 months	• Single declaration operational at main borders.
Strategic Objective 5: Increase sector specific support for AfCFTA prioritised and other identified sectors in trade in goods				

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
5.1 Increase productivity and efficiency of local textile and leather value chains.	5.1.1 Conduct study on leather value chains and a model for Eswatini, understanding the low volumes of hides etc.	MCIT, MoA, NHTC	6 – 24 months	• Study document and strategy for leather value chains.
	5.1.2 Set-up textile and leather training school in partnership with industry.	MCIT, Eswatini Textile Exporter Association, NHTC	12 – 24 months	• MOU between government and textile industry. • Demarcation of structure for training by MCIT.
	5.1.3 Develop incentive scheme, financing, and smaller factory shells to upgrade locals in sewing to CMT operations.	MCIT, MoF, MEPD, SEDCO, EIPA	12 – 36 months	• SME textile incentive scheme. • SME factory shell programme.
5.2 Set-up agro-development fund and accompanying insurance scheme to boost domestic production.	5.2.1 Set-up agriculture dedicated fund to offer concessionary loans for innovation, value addition and modernisation.	MoF, MoA, MEPD, Eswatini Bank, FINCORP, IDCE, ENIDC	12 – 36 months	• National Agriculture Development Fund. • Farm modernisation incentives scheme.
	5.2.2 Develop / support development of concessionary/state-backed insurance scheme to de-risk primary farming.	MoF, MoA, MEPD, Eswatini Bank, FINCORP, Insurers	12 – 36 months	• Study on national agriculture insurance scheme. • Act setting up national agriculture insurance scheme.
5.3 Development and promotion of automotive cluster in Eswatini.	5.3.1 Study tour to South Africa, Taiwan and Malaysia to meet with OEM manufactures at Tier 1, 2 & 3.	EIPA, MCIT, (ITD & Industry) RSTP, MEPD, MoF, MoPW&T	6 – 24 months	• Study tour report and learnings.
	5.3.2 Undertake study on the South African automotive industry, including suppliers and potential entry roads.	MCIT, EIPA, ESEPARC, ITD	6 – 12 months	• Study tour report and learnings. • Automotive strategy for Eswatini.
	5.3.3 Develop campaign and incentives to target Tier 2 & Tier 3 OEM manufactures to locate in Eswatini, leveraging the existing textiles and plastics industries already present.	MCIT, EIPA, ITD, RSTP	12 – 24 months	• Marketing campaign targeting Tier 2 & Tier 3 OEM automotive components manufacturers. • Incentives for automotive industry.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
5.4 Development and promotion of Pharmaceutical Value Chain.	5.4.1 Study on domestic regional pharmaceutical industry including imports of pharmaceuticals, looking at areas where Eswatini can compete. This could include study tours to established producers in the region and beyond.	MCIT, MoH, Central Stores, RQID, SWASA, ESEPARC	12 – 24 months	• Study on regional pharmaceuticals market, key player and industry drivers.
	5.4.2 Development of local pharmaceutical industry development strategy, including relevant incentives.	MCIT, MoH, MoF, SWASA, MoA	24 – 36 months	• National Pharmaceutical promotion strategy and accompanying incentives.
	5.4.3 Leveraging the SEZ to develop and promote a campaign to Locate in Eswatini targeting pharmaceuticals companies along the value chain, from expedients to products.	MCIT, MICT, RSTP, EIPA,	24 – 48 months	• Targeted Pharmaceutical industry promotion campaign targeting key FDI players.
5.5 Development of Industrialisation Fund and Export Promotion Fund.	5.5.1 Study to consider development of an Industrialisation and Export Promotion Fund.	MoF, MCIT, ESEPARC, MEPD	12 – 24 months	• Study document on feasibility and funding mechanisms for Industrialisation Fund.
	5.5.2 Resource mobilisation under the AfCFTA Adjustment Fund and other sources.	MCIT, MoF, MEPD, MoFAIC	12 – 36 months	• Proposal submitted to AfCFTA Adjustment Fund.
5.6 Review SEZ Act and develop clear SEZ strategy targeting both foreign and domestic investors.	5.6.1 Review SEZ Act and Incentives Policy.	MoF, MCIT, ERS, EIPA, RSTP, IRM Unit	12 - 24 months	• Revised SEZ Act. • New Incentives Policy document.
	5.6.2 Develop SEZ Strategy and Marketing Plan, including proper institutional mechanisms.	EIPA, RSTP, ESEPARC	12 – 24 months	• SEZ Strategy & Marketing Plan. • SEZ Unit.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
5.8 Incentivise value addition and support development of local supplier development programmes.	5.8.1 Develop MSME Incentive scheme to encourage value addition in identified value chains.	MoF, MCIT, MoA, ESWADE, EIPA	6 – 18 months	• Value addition / local content incentives scheme or document.
	5.8.2 Develop policy to encourage/ compel local retailers to support local producers through supplier development programmes.	MoF, MCIT, MoA, NAMBOARD, EDB.	6 – 18 months	• Policy instrument that encourages supplier development programmes through incentivising private sector.
Strategic Objective 6. Prioritise business climate improvements				
6.1 Review and prioritise operations of National Trade Facilitation Committee, including relevant Sub-committees and Secretariat.	6.1.1 Review TORs for NTFC.	MCIT, ITD, BE, EIPA	6 – 12 months	• Revised TOR's for NTFC. • Cabinet approval of revised TORs.
	6.1.2 Relaunch of NTFC, including Secretariat and budget.	MCIT, PM, ITD, BE, EIPA	6 – 18 months	• Programme for launch. • Increased public awareness on NTFC.
	6.1.3 Establish Sub-Committees around the key trading blocs comprised of public & private stakeholders to provide guidance on key target markets and configurations.	ITD, MCIT, EIPA, NAMBOARD, EDB, MEPD	6 – 18 months	• Instrument confirming sub-committee and relevant members, e.g., Memos, letters, etc.
6.2 Prioritise Investor Roadmap initiative.	6.2.1 Develop national reform strategy and accompanying institutional mechanisms that will ensure high-level ownership and buy-in.	PM, MCIT, MEPD, IRM Unit, EIPA, CBE, ESEPARC, ERS,	6 – 24 months	• National Business Climate Reform strategy (3 – 5 years). • Instrument moving national reform issues to office of the Prime Minister (PM).
	6.2.2 Improve budget allocation and resources for Investor Road Map Unit.	MoF, PMs, MCIT, ESEPARC, IRM Unit	6 - 24 months	• Budget provision / budget estimates showing increased allocation to unit
	6.2.3 Implement and prioritise eGovernment Initiative.	PMs, MICT, RSTP	6 - 24 months	• Revised and launched eGovernment strategy. • Budget estimates showing allocation to eGovernment initiative.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
6.3 Review investment Act, policy and incentives policy framework.	6.3.1 Review Investment Policy.	MCIT, MEPD, MoF, MoA, EIPA	12 – 24 months	• Revised Investment Policy. • Improved policy regime.
	6.3.2 Review Investment Act of 2008.	MCIT, MEPD, MoF, MoA, EIPA,	12 – 24 months	• Revised investment Act. • Improvements in role of EIPA and protection of investors.
	6.3.3 Develop National Incentives Policy.	MoF, MCIT, MEPD, MoA, EIPA	12 – 36 months	• Draft National Incentives Policy. • Increase in targeted domestic & FDI. • Clarity around incentives regime and their sunset.
6.4 Finalise the Citizen Empowerment Bill to ensure that there is some level of protection in reserved sectors to allow domestic enterprises space to compete.	6.4.1 Get Citizen Empowerment Bill reviewed and passed through Parliament.	MCIT, MP	6 – 18 months	• Bill passed through Parliament. • Clear competitive space created for MSMEs
	6.4.2 Develop support programmes for identified sectors or economic activity areas to ensure that locals take up space in reserved sectors.	MCIT, MoF, MoA, MEPD, ERS	12 – 36 months	• Support programmes for locals in key niche sectors. • Increased number of domestic start-ups and improved survival rates.
6.5 Review country's trade and industrial policy for the country to ensure that it aligns with the AfCFTA agreement and strategy.	6.5.1 Review National Trade Policy and Strategy.	ITD, MCIT, ERS	12 – 24 months	• Revised trade policy and trade strategy.
	6.5.2 Review Industrial Policy in light of AfCFTA target sectors and challenges.	MCIT, ESEPARC, EIPA	6 – 12 months	• Revised industrial policy. • Clarity on industrial policy support to trade and MSME development in priority sectors.
	6.5.3 Periodic review to include trade in services and attendant supply-side constraints.	MCIT, PPCU MEPD, EIPA, ESEPARC	12 -24 months	• Reviewed policy in place.
	6.5.3 Develop national private sector development strategy to improve MSME capabilities.	MCIT, MoF, ESEPARC, SEDCO, EIPA	6 – 24 months	• Eswatini Private Sector Development Strategy. • Clarity on support to entrepreneurship by government and partners.
6.6 Develop formal FDI-SME Linkages Programme with accompanying incentives	6.6.1 Develop incentives to encourage supplier development programmes between FDI & MSMEs.	MoF, MCIT, EIPA, MEPD, SEDCO	6 – 24 months	• Incentives programme to encourage medium & big companies.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
	6.6.2 Develop portal and database to encourage linkages, networking and B2B interactions.	EIPA, SEDCO, RSTP	6 – 24 months	• TORs for portal development • Award letter for portal development. • B2B FDI-MSME Linkages Website launched.
6.7 Increase support to women and youth and other marginalised persons in trade.	6.7.1 Set up Gender and Trade Committee	DPM, MCIT, ERS, Private Sector (women organisations)	6 – 12 months	• TORs for committee. • Cabinet approval of TORs.
	6.7.2 Setting-up of minimal quotas for women participation in committees and boards.	MCIT, MPs, BE	12 – 24 months	• Stakeholder engagement on quotas • Draft guidelines for private & public sector regarding gender mainstreaming in boards, committees & management.
	6.7.3 Development of specific training and capacity building programmes for women and youth in enterprise.	MCIT, MTAD	6 – 12 months	• Capacity building programmes for women and youth.
6.8 Review of Arts & Culture Policy	6.8.1 Development of draft policy for review, stakeholder validation and finalisation, that encourages arts, creative industries and culture as products for inward and outwards services.	MoSCYA, MCIT, ENCAC, SWAMA, NHTC	12 – 24 months	• Revised Arts & Culture Policy.
Strategic Objective 7: Develop a competitive services sector to attract investment and diversify exports				
7.1 Pursue/embark on liberalization programs and strategies as well as undertake continuous research to increase tradability of services.	7.1.1 Develop liberalization policies/ regulatory frameworks in the different prioritized sectors where they do not exist and undertake reviews where necessary. 7.1.2 Undertake continuous research on tradability of services to stimulate innovation and technological advancement.	MCIT, Academia, EIPA, BE, Relevant sector ministries/ institutions.	12 – 36 months	• Programs, Policies, Strategies and Research.

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
7.2 Strengthen national and regional policies, in promoting transport infrastructure as part of trade and development plans, including through public-private partnerships.	7.2.1 Institute or strengthen national policies that deal with PPPs and harmonize at the regional level same.	MCIT, MoFA, MEPD, Civil society and sector associations where applicable	12 - 36 months	• Policy documents.
	7.2.2 Enactment of the Tourism Bill of 2018	MTEA, ETA, ENCAC, HORTAS	12 – 36 months	• A Tourism Legal framework.
	7.2.3 Development of National Tourism Strategy as well as a Tourism Fund	MTEA, MCIT, MoF	12 – 36 months	• Tourism Strategy. • Tourism Fund.
7.3 Improve services data collection systems, policy and regulation coherence as well as legal modernization where needed.	7.3.1 Strengthen the capacity to capture and analyse trade data, capturing all the four modes of data.	MCIT, Statistics Office, BE,	On-going	• Up to date data. • Relevant legal framework.
	7.3.2 Strengthening of policy and regulation coherence/ harmonization including updating of outmoded laws.	MCIT, MoJCA, BE,	24 – 60 months	• Policies.
7.4 Review Eswatini Trade Policy periodically to include trade in services and attendant supply-side constraints.	7.4.1 Periodic review of an all-inclusive process set in motion.	MCIT, EIPA, ERS, MEPD, ECB	12 - 36 months	• Contemporary Trade policy.
	7.4.2 Identify a few service sectors where the country has a comparative advantage e.g., Tourism and address the supply side constraints	MCIT, PPCU MEPD, EIPA, Identified Ministry	12 - 24 months	• An analysis and strategic document for the identified sector.
7.5 Services sector support including development of private sector associations in AfCFTA priority services sectors.	7.5.1 Facilitate and promote the establishment of the Coalition of Services Industries	BE, FESBC, MCIT, ITD, EIPA, ITC	12 – 24 months	• Coalition of Services Industries

Strategic Objective	Required Action	Responsible Lead	Completion & Timing	Measures (Progress Indicators & Outcomes)
7.6 Development of Trade in services market intelligence and sectoral strategies.	7.6.1 Improvement in the gathering, analysis, and dissemination of information that is relevant to the different service sectors.	MCIT, Statistics office, EIPA, UNESWA	24 – 60 months	
	7.6.2 Commission studies to identify services sectors or value chains that Eswatini can focus on, including development of sectoral strategies for services sectors.	MCIT, Different sectors that have been prioritized. BE, FESBIC and Civil society	24 - 60 months	• Sector strategies
7.7 Adopt and implement national policies and establish institutions that encourage the development of infrastructure in e.g., telecommunication etc.	7.7.1 Strengthening and or establishment of institutions that promote the development of infrastructure in the communication sector and other sectors of Eswatini economy	MCIT, Min of ICT, MoJCA	On-going	• Up-to date national policies.
	7.7.2 Build capacity in trade promotion organizations and BSOs to promote and package information on local and regional trade in services opportunities.	BE, Civil society, MCIT	24- 36 months	• Reports
7.8 Improve labour productivity in order to enhance participation in regional and global value chains, and free movement of persons.	7.8.1 Improvement of labour in terms of human capital - skills development and training.	MCIT, Min. of Public service, Labour and Social Services	On-going	• Labour standards

6.0 FINANCING THE IMPLEMENTATION OF THE AGREEMENT ESTABLISHING THE AfCFTA

The financial resources needed to put into practice the AfCFTA Implementation Strategy will have to be mobilized from government, local financial sector, the private sector, and international development partners. Local and regional development institutions, such as Eswatini Development Finance Corporation (FINCORP), the Development Bank of Southern Africa (DBSA) or the African Development Bank (AfDB), as well as commercial and other financial institutions are expected to be main sources of domestic finance.

Given this scenario, the options available to the country to bridge the finance gap include:

- Using the **AfCFTA Adjustment Fund** to finance some of the risks and mitigation strategies relating to Eswatini's active participation and benefit under the AfCFTA as highlighted in the accompanying action plan.
- Mobilising local financial institutions to embrace some of the platforms and institutions that have been created at the regional level to reduce asymmetry and mistrust amongst traders, thus limiting trade. Amongst these platforms is the **Pan African Payments and Settlement System (PAPSS)**. PAPSS is a centralised financial market infrastructure enabling the efficient and secure flow of money across African borders. The platform minimises risk and contributes to financial integration across the regions.
- Approaching African and regional institutions such the AFREXIMBANK, African Trade Insurance Agency, Trade and Development Bank (COMESA) for concessionary loans for trade finance.
- Seeking technical assistance from cooperating partners, including bilateral sources such as the EU, the People's Republic of China and India and other interested countries/financiers.
- Leveraging existing programmes like the USAID Trade Hubs work on export readiness.
- Diversifying sources of infrastructural development financing by promoting strategic PPPs.
- Leveraging technical assistance available through the AU and the RECs to finance regional components of the strategy.

7.0 COMMUNICATION AND VISIBILITY PLAN

The engagement from both the public and private sector toward the implementation of the AfCFTA and the AfCFTA Strategy is crucial. The AfCFTA and its strategy are important policy documents that, if fully implemented, will have a transformative impact on the economic landscape of Eswatini. It is, therefore, necessary to have a proactive Communication Strategy to enhance the knowledge and understanding of the AfCFTA, to further garner the interest and support of all stakeholders – particularly line ministries – as well as to closely engage partner entities from the private sector and donor community in the implementation.

Overall, the communication strategy summarized in Table 4 emphasises the following:

- Development of social media content under Eswatini Investment Promotion Authority, promoting the Identified Investment Opportunity Areas (IOA's) and publicising the launch and portal.
- Engaging with key stakeholders, within and outside Eswatini, including development partners, to mobilise the much-needed resources for implementation of the strategy.
- Publishing of the strategy on the government and ITD's website and further encourage other partners like Business Eswatini, EIPA and development partners to publish or have a link to the strategy on their websites.

The Communication Strategy offers the opportunity to enhance inclusiveness in AfCFTA implementation specifically through outreach and advocacy engagements that target marginalized groups in general, in particular women and youth in trade. The main purpose of these engagements should be to sensitise women in their roles as workers (wage workers and self-employed), producers, entrepreneurs (owners of informal and formal enterprises), small-scale and informal cross borders on how to harness the benefits of the AfCFTA Agreement, and to prepare for potential risks. Specific attention must be paid in all sensitisation engagements to understanding gender-specific challenges confronting women in the Eswatini economy.

Table 4: Summary of Communication Strategy

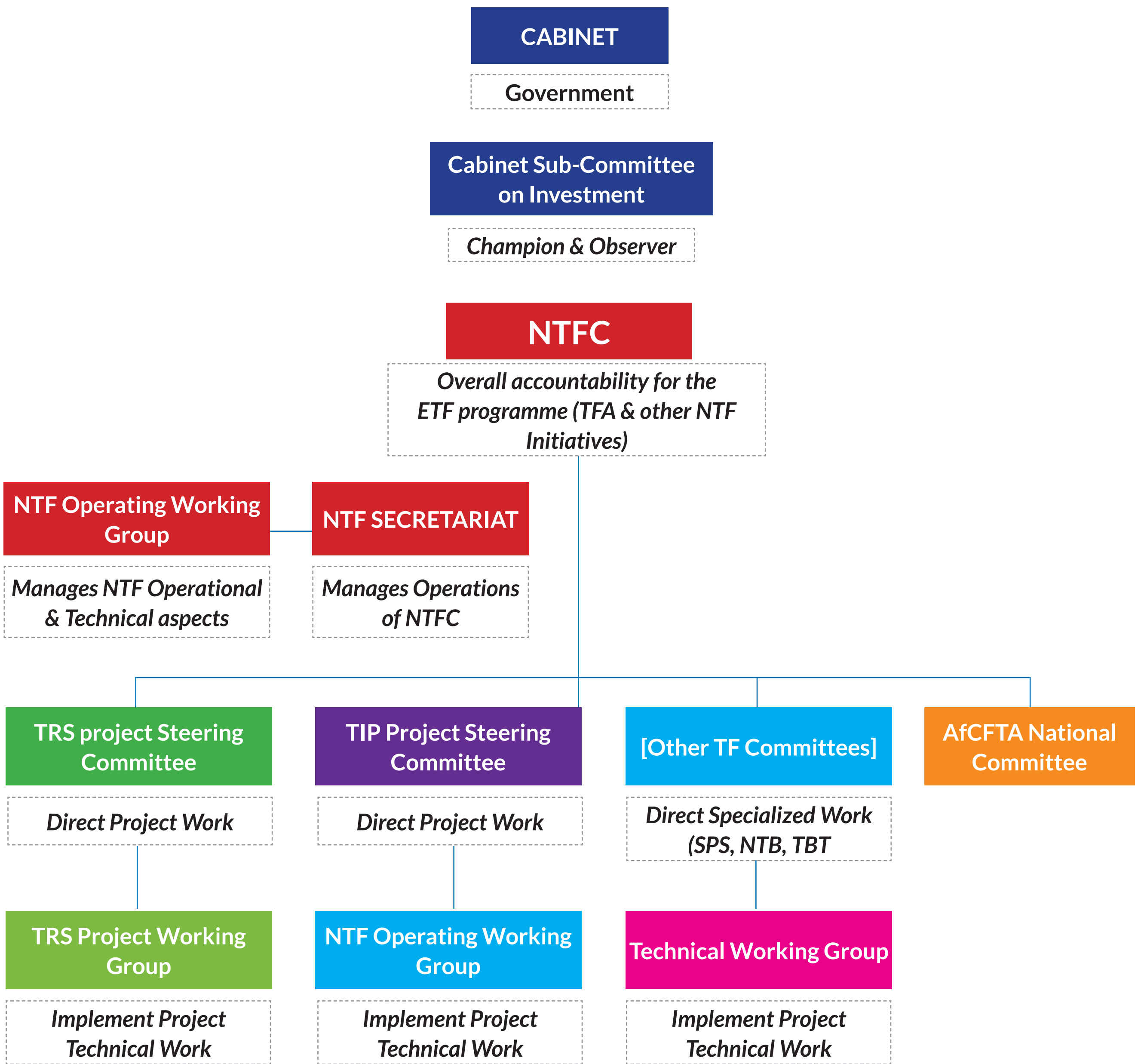
Channel	Description	Target Audience
Website	AfCFTA website to be hosted under the ITD website, including the government portal, with links on websites like Business Eswatini. Site will enhance knowledge and understanding of the AfCFTA and the national strategy, including any changes in legislation and procedures.	Private Sector, Business Associations, Foreign Investors, Embassies and Diplomatic Missions and Business Support Organisations (BSOs).
Social Media	Use Ministry's social media pages to share information on AfCFTA and regional developments, including information on the strategy, regional trade events, implementation status and trade statistics.	Private Sector, Foreign Investors, Embassies, Diplomatic Missions and BSOs.
Radio	Develop local content for local radio to educate and inform public on trade and AfCFTA related information, including periodic updates.	Private Sector, Business Associations, Foreign Investors, Embassies, Diplomatic Missions and BSOs
Print	Partner with local media though sensitisation workshops and education on the strategy, including preparing periodic media advisory notes. Prepare short articles on Trade and AfCFTA, interviews with key Ministers and articles on the national strategy.	Private Sector, Foreign Investors, Embassies, Diplomatic Missions and BSOs
AfCFTA Champions	Appoint AfCFTA national champions who will be knowledgeable and publicly create the needed excitement around the AfCFTA, targeting youth, women and private sector champions.	Private Sector, Foreign Investors, Embassies/ Diplomatic Missions and BSOs.

8.0 MONITORING AND EVALUATION FRAMEWORK

8.1 Institutional Arrangements

To ensure effective implementation of the strategy and Eswatini's participation under the AfCFTA, the strategy proposes the establishment of the AfCFTA National Implementation Committee and sub-committees to ensure effective coordination of the AfCFTA implementation, including this national implementation strategy. The AfCFTA National Implementation Committee will oversee the action plan and its monitoring and evaluation framework, under the existing National Trade Facilitation Committee (NTFC). The NTFC has broad stakeholder representation (Figure 5), although weak in areas of gender and youth mainstreaming.

Figure 5: Eswatini's NTFC Structure



In supporting the monitoring and evaluation efforts of the AfCFTA, it is recommended that Eswatini undertakes the following;

a) **Provide Human and Financial Resources to NTFC.** A very strong and capable NTFC Secretariat is key in ensuring Eswatini grows its export trade and harmonises with the rest of the region. There is a need to ensure that the secretariat and NTFC have adequate financial and human resources, which are currently lacking. ITD has approached Public Service to secure more personnel, but has not been successful, owing to zero growth by government.

b) **Review TORs and prioritise operations of National Trade Facilitation Committee**, including review of functions and TORs rather that creation of a new structure that may end up drawing more resources. The Establishment of the NTFC and its accompanying Secretariat was done through Government Gazette in November 2019.

8.2 Monitoring & Evaluation Log frame

The national implementation strategy is cascaded through a logical frame, with a clear plan that is structured around the seven strategic objectives, key required actions and responsible actors to drive implementation within proposed timeframes (Table 3).

Monitoring indicators are included in the log frame and action plan, ensuring that the plan is action oriented and elaborates performance indicators and verifiable documentary evidence to facilitate effective monitoring and evaluation. To allow for institutionalisation of the action plan deliverables and to ensure harmonisation of Eswatini with the region, responsible institutions are indicated, with the first institution listed being the lead ministry or agency for the particular action. It is recommended that lead ministries or agencies adopt the actions stated in the log frame following the launch of the strategy as part of their KPI's and be monitored as part of ministry/agency performance indicators for the covered period.

8.3 Inclusivity in the AfCFTA Implementation

As part of the implementation arrangements, the NTFC will be at the forefront of driving the initiative and it is important that the strategy's inclusivity and mainstreaming agenda starts at the level of planning. The NTFC is thus expected to have a proper balance in terms of gender representation and mainstreaming.

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