

Policy speech to the Parliament of Swaziland

**By the Rt Hon Absalom Themba Dlamini
Lobamba
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A INTRODUCTION

It is a great honour to have been appointed by His Majesty to lead the Government of this wonderful and great country, the Kingdom of Swaziland. I will continue to do the best that I can to face the challenges and adequately respond to the demands that come with the task of being a Prime Minister.

I am acutely aware that I took office at a critical time, with the Kingdom undergoing intense social, economic, political and constitutional transformation. The Kingdom is indeed faced with challenges on many fronts that continue to pose a threat to the continued peace and prosperity that Swaziland has achieved and enjoyed over the years since independence. I wish at this point to acknowledge Honourable Cabinet colleagues as part of a united team who will work together with Parliament and other stakeholders to make a difference.

It is a privilege to address this august House and to present to the Nation this transformation policy, which is aimed at ensuring a speedy economic recovery and the empowerment of Swazi citizens to effectively engage in economic activities to improve their quality of life. This policy statement highlights the key policies to be pursued by His Majesty's Government over the next three to five year period.

Following extensive consultation and detailed analytical reviews of Swaziland's social and economic performances since independence, challenges were identified and Vision 2022 emerged. The Vision 2022 as indicated in the National Development Strategy (NDS) document states that:

'By the year 2022 the Kingdom of Swaziland will be in the top 10% of the medium human development group of countries founded on sustainable economic development, social justice and political stability'.

The Vision officially launched by His Majesty the King in 1999 can only be attained by the development of clearly defined short, medium and long-term programmes. Currently, the Vision has remained a challenge for the country although some aspects of it are being implemented. A comprehensive implementation programme will be effected within the next three to five years as the NDS document is periodically reviewed and fully integrated into the current government planning and budgeting process.

Immediately upon my appointment to lead His Majesty's Government, several people visited my Office to congratulate and brief me about their various economic and social activities aimed towards uplifting the quality and standard of living of the average Swazi. I took advantage of that opportunity to consult with them on the best way forward to achieve speedy recovery of the economy. This consultation, while limited in scope, afforded me an opportunity to get a feel of what is needed and required to improve the quality of life of the Swazi people.

This policy statement incorporates existing government initiatives including the National Development Strategy, the poverty alleviation strategy, the fight against the spread of HIV/AIDS, Public Sector Management Programme (PSMP), the Fiscal Restructuring Programme; the Millennium Development Goals (MDG's) and the Millennium Action Plan (MAP).

My new responsibility as Head of His Majesty's Government requires me, together with my Cabinet colleagues to define and address the challenges that lie ahead. It is therefore my honour to present this policy statement.

B GOVERNMENT VISION

The Vision of the Government is:

“To build a truly Twenty-First Century Kingdom of Swaziland, culturally united, integrated and stable, economically prosperous and socially well organised with equal opportunities for all, irrespective of gender, and responsibility from all”.

In line with the Vision, the Mission of the Government of the Kingdom of Swaziland is:

“To provide a climate and infrastructure that will progressively maximise the quality and security of the life of the people of Swaziland and make the best use of the country's natural and human resources”.

How to achieve this goal in the face of adverse economic trends, is indeed a daunting challenge. However, it is not insurmountable.

C THE SOCIO- ECONOMIC ENVIRONMENT

Swaziland has been experiencing declining economic growth rates from 4.0% in 1997 to a meagre 1.6% in 2002. Further, the prevalent growth in the last three years has been lower than the population growth rate of 2.9%, implying a shrinking GDP per capita. The annual growth rate in real terms is projected to be 2% of GDP between 2003 and 2006.

There are a number of key drivers behind these trends. Firstly, within the industrial sector, manufacturing is the largest contributor to GDP. However, the closure of key companies has resulted in the narrowing of the industrial base.

Secondly the agricultural sector, which is the backbone of the economy and the largest employer in the country, has been experiencing mixed performances with an underlying downward trend in terms of its contribution to GDP.

Thirdly the relative scarcity of skilled human resources has hampered the structural transformation and growth of the economy.

There will be a need to review our capital and recurrent expenditures in order to ensure that they give us immediate returns and enhance our borrowing capacity and Government's ability to respond to the many development challenges, which include among others:

Poverty

At present 66% of Swazis live below the poverty line estimated at E71.00 (US\$ 10) per month. There is also a skewed distribution of wealth, which prevails both among the rural and urban dwellers. The inequality in income shows that 10% of the population control 40% of the wealth whilst the poorest 40% control only 14% of the wealth.

Unemployment

Unemployment is the malaise that creates poverty and is one of the key development challenges facing the country. The unemployment rate was officially estimated at 22% in the 1990s. It is now estimated to be 29% (Swaziland Household Income and Expenditure Survey 2001/2) and the figure undoubtedly continues to rise as job creation fails to keep pace with population and labour force growth.

HIV/AIDS

Like many other Southern African countries, the pandemic has beset the country. It is one of five worst affected in the region. With an estimated HIV prevalence of around 38.6% (The 8th Sentinel Sero-surveillance Report of 2002), among adults (age 15-49 age group), it is likely that at least 115,000 persons are HIV positive in the country today. A large number of adults and children have already died of AIDS, leaving behind about 60, 000 orphans. It is further estimated that the number of AIDS orphans and vulnerable children in the Kingdom will increase at an average of 10,000 per year for the next ten years. HIV/AIDS has indeed become a weapon of mass destruction.

Budget deficit

Government has been running budget deficits for the past five years and has financed her operations both by borrowing and running down her internal and external reserves. To sustain the Rand/Lilangeni peg Swaziland needs to retain sufficient foreign exchange reserves levels. If our reserves fall below an internationally accepted minimum, the peg will become vulnerable.

The trend on the actual budget outturn has shown annual increases of the deficit level. With expenditures increasing faster than revenues, current projections show that the Government budgetary position is not sustainable. It will be necessary therefore to carry out a comprehensive review to reduce expenditure and to seek ways to increase revenue. If the current trend is not arrested, forecasts indicate that by 2006/07 the deficit/GDP ratio will have increased to 10%.

For a small country like Swaziland it is economically dangerous to continue to run deficits of this magnitude. To ensure that we retain financial credibility, our budget deficit going forward should be about 2% of GDP. This target is unattainable with our present expenditure and revenue outlook. To achieve this target Government will have to reduce expenditure and increase revenue over the medium term.

D THE SMART PROGRAMME ON ECONOMIC EMPOWERMENT AND DEVELOPMENT (SPEED)

The objective of this policy statement together with policies contained in His Majesty's Speech from the Throne and the Budget Speech is to create a Smart Programme on Economic Empowerment and Development (SPEED), with time-bound targets. The programme will also provide a framework to address the challenges that we face. The key elements of the programme are as follows:

D. 1 SUSTAINABLE ECONOMY

It is critically important that our economy is sustainable. This will be realised through sound macro-economic management. The foremost element to sound macro economic management is fiscal discipline and good economic governance. Trade policies and agreements as well as other enabling measures such as deficit and budget strategy are also important. His Majesty's Government will address these areas to ensure that the economy is sustainable.

Fiscal Discipline and Economic Governance

In the light of diminishing foreign direct investment and dwindling reserves it becomes imperative that Swaziland enters a phase of strict fiscal discipline. We cannot afford to spend money that we do not have. This will necessitate great discipline from all concerned. It will also necessitate a careful examination of the value being added to the country by every area of expenditure. Some areas of expenditure will need to expand whilst others with lesser priority will need to contract in line with the national priorities. Budget prioritisation will require courage and discipline from all concerned to ensure that not one Lilangeni is wasted on areas that do not add value in terms of Government delivery.

Tight fiscal discipline will also require a massive onslaught against corruption. This may require some spending in order to bring about a greater saving.

Trade Policies and Agreements

In order to attract both foreign investment as well as assist domestic expansion of the economy, it is imperative that trade policies and agreements are attractive for foreign as well as domestic investment. These policies need to be predictable and secure. Where necessary, trade agreements will also be reviewed and re-negotiated to provide this enabling framework.

Deficit and Budget Strategy

On the issue of the budget deficit, Government will support on-going measures to address the issue. By integrating the budget and overall economic forecasts it is possible to ensure that in the medium term Government finance framework is consistent and represents a pattern of revenue and expenditure that will safeguard overall macroeconomic stability. In this regard, we will work towards a deficit/GDP ratio of 2% in the medium term. This is on-going under the Medium Term Expenditure Framework (MTEF), which was introduced in 2002.

There is an urgent need to raise the revenue base and diversify revenue base. This is also necessitated by the fact that receipts from the Southern African Customs Union (SACU) are expected to decline due to the liberalisation of tariffs in 2005/06. Currently, SACU is providing over 50% of Government revenue. Measures are under way to put in place a unified Revenue Authority, which will combine the revenue collecting Departments into one revenue collecting Authority. Also aligned to this will be the introduction of Value Added Tax (VAT) to replace the existing Sales Tax. Other measures to raise revenue will include, increasing charges to cost recovery levels for services provided by government; improving revenue collection at border posts; and introducing tollgates to generate funds on the country's major roads for their maintenance.

On the expenditure side, attention will be given to measures to improve efficiency; accelerate reforms of public enterprises through the privatisation policy; full implementation of the NDS; clarification of Government's role in key sectors so that resources are targeted efficiently; and the continued coordination in the preparation of the national budget in line with the MTEF.

We are conscious of the resource constraints that we are facing as a country. This makes it clear that some activities will have to be shelved and priority given to the more pressing issues that will kick-start our economy so as to address poverty, unemployment, the HIV/AIDS pandemic, food security and orphans and vulnerable children.

D 1.1 EXPANDING THE PRIVATE SECTOR

On growing the private sector, the focus will be on the private sector as the engine of growth, employment generation, and poverty reduction. Government initiatives will include security, rule of law, enforcement of contracts, eradicating corruption, infrastructure development and mobilising long-term capital for investment. Crafting sectoral strategies, privatisation, land reforms and designing a coherent trade policy regime are also on the agenda. Specifically government will focus on the following:

Enhancing Economic Growth

The main objective of the Government is to see the country enhance economic growth. The starting point is to instil confidence in the economy. We will continue to support the efforts of the Fiscal Restructuring Programme in reviewing our policies and in ensuring effective tax incentives to attract both foreign and domestic investment as well as assisting domestic expansion of the economy.

At the macro-economic level, SPEED will target the incidence of poverty and the creation of new jobs. Our goal is to ensure predictability and credibility and to provide an effective incentive structure to promote the private sector.

A National Public Debt Strategy is under preparation and will be finalised before the end of the year. This will enable Government to adopt a fiscal strategy and a framework for spending that will limit the national debt to a sustainable level.

Government will improve the budgetary process through the public expenditure/budget reforms, which will include a budget process that is inclusive and participatory. Plans are in the pipeline to introduce a Medium Term Budget Statement, setting out the Government's Fiscal position, key Government deliverables, policy objectives and sectoral priorities.

These reforms will emphasise fashioning budgets that meet development priorities, and budgets that can be implemented, taking into account the institutional and financial constraints of the country.

The climate for further economic development will be enhanced through several measures including Labour legislation and aligning our education system to the needs of the economy and new initiatives to encourage and empower Swazi entrepreneurs. These initiatives will include among others providing advisory and information services to facilitate broader access to capital, export credit, and structures to facilitate the speedy resolution of conflict in an inexpensive way. Both entrepreneurial education and planning services will be considered.

Industrial Relations

Government will continue to create and maintain a harmonious industrial relations climate that will ensure stability and peace in the production of goods and services at the work place and in the economy in general. It is the policy of Government to instil the principle of dialogue amongst the social partners. We will also encourage the private sector to work together with Government to fight the impact HIV/AIDS in the country. For Swaziland to survive, the social partners need to stand together to address the impact of globalisation and the challenges of the World Trade Organisation (WTO).

Encourage Foreign Direct Investment (FDI) and the Growth of Small and Medium Enterprises (SME's)

To attract investment we need a multifaceted approach. We will review our investment incentives and a concerted effort will be made to enhance investor confidence. Expediting the rule of law is one way of enhancing the image of the country. Bringing the constitutional process to finality is yet another area that will foster an improved image of the country as an investment destination.

There is also a need to create a common incentive scheme for both domestic and FDI to enhance investment in the country. It is critically important to note that every investor is motivated by one common motive, to create wealth. It follows therefore that local investors should be afforded similar incentives as given to foreign investors.

The potential of domestic investors has not been fully exploited. The SME Unit aims to create an enabling environment to do this. A policy on SME's will help stimulate the growth of Small and Medium Enterprises in the country. The aim here will be to make sure that SME's become a vibrant engine for sustainable development at the grassroots level. A major proportion of public expenditure is incurred through the procurement of goods and services and construction activity. In response to a public outcry that the current system is not efficient; lacks transparency; and does not empower local suppliers, the Government will shortly be implementing proposals of a study to review the Government tendering process. Other complementary measures will include the timely recording and payment of Government's commitments.

To further improve transparency and accountability and the country's image, a communication strategy will be effected. Recently, a Press Secretary was appointed in the Office of the Prime Minister. The Officer will work hand in hand with Government Ministries and Departments to effectively respond to questions and concerns about the country and to disseminate information. Our Missions abroad will be empowered to effectively market the country to potential foreign investors and tourists.

Industrialisation

One of the most effective ways to create jobs as well as to encourage the growth of local SME's is through industrialisation. Attracting manufacturing industries to Swaziland remains an important goal. This will be facilitated through creating manufacturing space around identified hubs. This has been effective particularly in the textile industry creating some 28, 000 jobs as foreign and domestic investors take advantage of the country status in the Africa Growth and Opportunities Act (AGOA). Other industries in which investors could benefit will be developed and exploited to the same extent.

Investors need to be given confidence, both through the political climate as well as the economic framework. As a country, we need to raise our productivity so as to become attractive for labour intensive industries. We need to use this base to create effective SME's that support the manufacturing sector. They will become the flywheel for higher value added industries over time.

Efforts will be made to encourage financial institutions and investment houses in the country to provide capital.

The Provision of Infrastructure

Modern business is reliant on the availability of electricity, good communication and transport. These infrastructure requirements are being decentralised widely to encourage business development in all parts of the country including the rural areas. This will also assist in the diversification of the economy.

Combating and Rooting out Corruption

Government is constantly receiving reports about corruption being on the increase. It appears that current measures to deal with this evil are ineffective. This has to change forthwith and there will be zero tolerance to corruption. Government is committed to fighting corruption at every level, both in the private and the public sectors. Government is currently working on a Bill that will soon be presented to Parliament to replace the Prevention of Corruption Order No: 19 of 1993. The Bill aims to strengthen the Anti-corruption Commission and give the Commission more powers to investigate, prosecute and deal conclusively with corruption and the proceeds thereof confiscated.

Integration of Youth in Development

The youth needs to be empowered to play an important role in the development of the country. It is crucial that the young people become an integral part of the development of the country, and we will endeavour to create the opportunities for their participation to be active, practical and visible. Government sponsored youth activities will be reviewed and where necessary policies will be developed and implemented to ensure that the youth get the attention they deserve in the development of the country.

Gender Mainstreaming

To maximise the participation of women in the development of Swaziland, the Government will encourage and support the inclusion of all aspects of gender and development and programmes. Our ratification of the Convention on the Elimination of Discrimination Against Women (CEDAW), gives us an opportunity to review the draft Policy on Gender. The review will also take into account provisions contained in the Draft Constitution.

D 1.2 GLOBAL PARTNERSHIP FOR DEVELOPMENT

Regional Integration

The small size of the economy makes trade an important cornerstone of the country. The membership to regional alliances such as SACU and the Common Monetary Area (CMA) has brought strong trade links and has also cemented financial partnership between the member countries. Swaziland as a member of regional economic groups is also a beneficiary to various international trade dispensations such as the Cotonou Agreement, the Generalised System of Preferences (GSP), the AGOA which provide preferential trade terms for our major industries such as sugar and textile. Government will continue to maintain and strengthen the existing partnerships and forge new trade links. Government is aware of the threats and turbulences in some of these international markets and will do everything possible to ensure that we maintain our market share.

Overseas Development Assistance (ODA)

Due to the country's classification as a lower middle-income developing country, the level of ODA received has been relatively lower as compared with other Sub-Saharan African countries. Overall the ratio to GDP in Swaziland is estimated at 3.2 percent to GDP.

The classification of Swaziland as a lower middle-income country while 66 % of the population lives below the poverty line is a major challenge facing the country. This status disqualifies Swaziland for concessionary lending. A comprehensive profile of the country will be compiled to enable us to qualify for concessionary lending and other benefits.

Forging Global Partnership

Through participation in the annual Global SMART Partnership Dialogues, as well as regional and international initiatives such as the New Partnership for Africa Development (NEPAD), efforts will be directed towards resource mobilisation.

D 2 REGIONAL DEVELOPMENT

Our Tinkhundla system of Government provides an enabling environment for Government to reach the people at grassroots level. The Tinkhundla system gives the people an opportunity to contribute to the social welfare and national development of the country. During the next three to five years, Government will ensure that local communities are empowered to drive their own development. All Tinkhundla centres will be assisted to inaugurate development programmes that will include among others the provision of clean water, health facilities, electricity, and re-settlement to ensure that sufficient land is kept aside for grazing and for ploughing, and road infrastructure. At each Inkhundla Centre, there will be sheds that will serve as incubators for income generating activities.

Improving the Tinkhundla system is top of the agenda of His Majesty's Government. It is imperative that the Tinkhundla centres are improved since a sizeable percentage of our population reside in the country-side. Decentralisation of power is inconceivable without initiating reforms that will empower Tinkhundla to format and implement decisions that directly affect the rural communities and effect development programmes. We are cognisant of the fact that effective decentralisation requires commitment and professional competence by public servants.

Government will continue to fund various developmental projects including those under the Regional Development and Empowerment Funds. However, there is a critical and urgent need to review the eligibility guidelines for the funds. Furthermore, means of management and monitoring of the disbursement of the funds also require attention.

All these changes will require Government to continue reviewing the planning and budgeting system, to ensure that it is responsive to the needs and demands of her citizens.

D 3 REFORMING GOVERNMENT

As this policy statement spells out the intention of Government for the next three to five years, a more focused public sector management is crucial for its implementation. Apart from working in partnership with all concerned and ensuring an enabling environment for the private sector to be the engine for growth, Government will sharpen the public sector to ensure that service delivery is improved accordingly. It is imperative that Civil Servants increase their effective performance relative to cost. This will require a massive re-engineering and productivity improvement effort from the Civil Service.

What Government is seeking is that individual responsibility; authority and accountability are clear to all concerned. Strong fiscal discipline needs to be exercised at all levels and structures of the public service. Other measures to reform Government include the following:

Security

The issue of security is critical for the effective implementation of Government's transformation policy. In this regard, Government will continue her efforts to direct resources to reduce crime thus making Swaziland the preferred destination for investment and tourism.

Rule of Law

The Rule of Law is one of the issues that is at the top of the Government's agenda. The process of resolving this issue is already in progress.

The Rule of Law is being addressed under the broader issue of judicial management in the country. Government is recruiting more judges, magistrates and prosecutors to speed up the process of hearing cases in our courts. The Court of Appeal will be reconstituted shortly and the Amendment to the Criminal and Evidence Procedures Act has been tabled in Parliament, debated by the House of Assembly and Senate and will soon become law.

His Majesty's Government is committed and will continue to respect and comply with the rule of law without fear or favour. The experiences of the past resulting from the breakdown in the rule of law have left scars that will take time to heal. These issues however, are being addressed as a matter of urgency to reach a durable solution.

The proposed Constitution will enhance the steady balance between tradition and modernity, which has very much contributed to the stability that currently prevails in the country. This steady balance has made the Kingdom stand very distinct in the international community.

Another complementary initiative is the recording and codification of Swazi Law and Custom, which will further enhance the harmonisation of tradition and modernity.

Public Sector Reform

There is also a need to look at the general framework for public service reforms, including the right-sizing options under the Public Sector Management Programme (PSMP), re-professionalisation, motivation, and capacity building and local government reforms. The Privatisation and regulatory regimes including complete privatisation or concessioning of major public enterprises will also be looked into.

On ensuring optimum organization and management of the civil service, Government will implement an integrated and comprehensive approach, which will allow an objective assessment of the requirements of Ministries and Departments.

On the basis of the role redefinition, there will also be a need to restructure the civil service through rationalizing the allocation of portfolio responsibilities, with a view to ensuring that the civil service is able to facilitate the attainment of the NDS Vision 2022.

On improving the delivery of services to the public, the Government will implement the recommendations of the Opinion Survey on the state of service delivery by Government Ministries and Departments. The survey has identified specific areas, which require improvement in the civil service, such as access and timeliness in service delivery. Ministries will also be expected to investigate alternative options for delivering services; to re-engineer work processes including the establishment of one-stop service centres.

Human resources in the civil service, like in any other organisation are a strategic resource. Government will ensure the proper management of this critical resource through measures to harmonise the General Orders with existing employment laws and industrial relation practices to ensure consistency and compliance with the laws of the land.

Government will also implement best practice in the area of human resources management. The high rates of attrition in some sectors within the civil service will be addressed through the on-going work to decompress pay scales and review conditions of service. Low productivity levels within the civil service will be addressed through the installation of a performance management system. The on-going computerisation of the Human Resources Management Information System will facilitate decision-making in these areas.

D 4 HUMAN DEVELOPMENT

For the Government vision to be sustainable, it is imperative that fellow citizens including people with disabilities should see more meaningful change in the quality of their lives and in their living conditions. One of the fundamental aims of the policy in line with the vision of the Government is to reduce poverty. In this regard the key areas that will be given attention will include among others:

D 4.1 THE EDUCATION SYSTEM

Realigning the Education System

Government recognizes the importance of education as a corner stone for sustainable economic and social development of the country. The fundamental goal of education is to ensure that it produces citizens that are able to use existing resources to improve their standard of living. Swaziland is participating in the global Education for All (EFA) initiative whose agenda includes among others:

Expansion of Early Childhood Care and Development;

Provision of Free and Compulsory Primary Education;

Promotion of the acquisition of life-skills for adolescents and youth;

Expansion of adult literacy;

Elimination of gender disparities; and

Enhancement of educational quality.

Government will implement the Education for All agenda not because it is a global agenda, but an important scheme aimed at ensuring efficient and equitable distribution of educational resources and guarantees that all citizens have access to basic education. Government will institute reforms to ensure that education is affordable particularly at primary school levels.

The recently completed National Skills Survey has provided Government with detailed estimates of future human resource requirements in the different sectors of the economy. These estimates will be used in the computation of a national human resources development plan. The plan will assist government in her efforts to direct training and in the proper utilisation of the country's human resources. It will also assist in reviewing the curriculum offered at school level and also guide training institutions in streamlining their programmes and admission policies in order to ensure that their programmes respond to the needs of the market.

Special Education

Special education is yet another issue of great concern to Government. Efforts will be made to improve and expand existing services, infrastructure, equipment and facilities for children with special needs. This will include among others:

Construction of a secondary school for the deaf;

Provision of adequate facilities for the teaching of sign language;

Strengthening the resource centres including those that cater for special education;

Provision of pre and in-service training to enable professionals to translate curriculum materials including materials for special education; and

Training and provision of specialised personnel in all areas including special education needs.

Training and Job Creation

A concerted effort will be made to ensure that training and job creation go together. As stated earlier, the education system must be reformed to provide skills that lead to self-employment and employment creation. This will be realised through a number of initiatives such as:

Reorientation of the curriculum from the conventional academic perspective to a more practical and functional skill-based curriculum by expanding and strengthening the traditional practical subjects;

Strengthening the prevocational educational programme, which is still at pilot stage; and

Giving more support to skill development centres, which admit students who do not have a formal high school qualification.

D 4.2 SPORTS, ARTS AND CULTURE

Our traditions and culture are the foundation of our society. They play a central role in the life of the nation. Government is committed to ensuring that arts and culture remains the cornerstone of the Swazi society. The abundant talent both among the old and young in Swaziland should be nurtured. His Majesty's Government will endeavor to create an environment that will enable talented Swazi citizens to use their talent as a viable means of livelihood.

Sporting activities will be supported and existing policies reviewed to ensure that national representative teams are properly equipped, trained and administered to maintain the Kingdom's prestige worldwide.

D 4:3 HEALTH AND HIV/AIDS

The quality of health in the country has declined tremendously with a loss of many skilled and experienced practitioners to neighbouring countries and abroad. Serious work needs to be done in improving the working conditions and the conditions of employment of staff. We cannot afford to lose experienced health

sector personnel. Government will institute reforms in the health sector whose main objective will include improving among others the following:

Family planning and reproductive health care;

The referral system from clinics;

Decentralisation of primary health care to the regions;

Immunisation programme; and

Water and sanitation.

Our health care system continues to face serious challenges. Of particular concern are the health consequences of the HIV/AIDS pandemic. The effects of HIV/AIDS, as pointed out in the Millennium Development Goals (MDGs), are felt at every level of our society and in every sector of the economy. HIV/AIDS is felt not only in the health system but also in the household, education, agricultural sectors as well as in the general economy, in terms of eroded capacity and lost productivity due to ill health and premature death.

HIV/AIDS is our collective concern and we must all work together to address the threat that it poses to our nation's future. The past twelve months or so have witnessed a significant scaling up of the national response to HIV/AIDS.

A number of initiatives are taking place in Chiefdoms to assist those infected and affected by HIV/AIDS. Government will continue to support the co-ordination of these initiatives through the National Emergency Response Council on HIV/AIDS (NERCHA). Government hastens to call each and every one of us to become involved in these initiatives, to assist those who are most vulnerable and least able to cope with the potentially devastating and impoverishing impacts of the HIV/AIDS pandemic. The future security and development of the Kingdom of Swaziland very much depends on the action that each of us takes now to ensure that our orphaned and vulnerable children in particular are safe and given the same opportunities as others. The burden of care cannot be left only to Government. Communities must also take responsibility for those that are disadvantaged amongst them.

Government will continue to support and encourage voluntary counselling and testing so that those infected could be counselled and advised on how they can effectively take care of themselves and those they love. Currently, the HIV/AIDS policy is being reviewed to accommodate recent developments in preventive measures. Government will also continue to seek assistance from international development partners and the Global AIDS Fund.

Government has noted with great concern the increasing incidence of Tuberculosis (TB) and Malaria. With regard to malaria, the focus will be on ensuring the effective implementation of the trilateral protocol signed with the Republic of Mozambique and the Republic of South Africa. On the issue of tuberculosis, Government will build on the on-going initiatives to reverse the incidence of tuberculosis infection in the country. A TB hospital is currently under construction in Manzini.

Government places a high premium on health and safety nets especially for the vulnerable groups including people with disabilities, abandoned and abused children and adults. Government will remain committed to improving the quality of health services so that they are equitable and customer focussed, leading to a healthy productive and prosperous nation.

Health services will continue to be decentralised to bring the decision-making process closer to the people and to ensure responsiveness to local needs and demands. Specific targets to be achieved will be set in areas such as sanitation facilities, general hygiene and waste management.

D 4.4 ORPHANS AND VULNERABLE CHILDREN (OVCs)

It is estimated that 300,000 children below the age of 18 are vulnerable in various ways. They are neglected, malnourished, abandoned and traumatised, subjected to some form of abuse and unable to access primary health care, education and legal protection. Their lives will be cut short and their future looks gloomy.

The number of orphaned children is estimated to be approximately 60,000 (2003 projections) as per the MDG report for the country. The number of orphans is projected to rise at an average of 10,000 per year, for the next ten years. The HIV/AIDS pandemic has had a negative impact on the Swazi family structure, as we know it. Child headed and elderly-headed households are becoming prevalent.

D 4.5 PROTECTING THE RIGHTS OF THE CHILD

Government recognises that our children must have equal opportunity of a dignified life irrespective of colour, religion and political conviction. They have the right to life, love, freedom and security. More and more children are becoming more vulnerable to abuse. This in turn disturbs their development into complete and healthy individuals.

His Majesty's Government is committed to put a stop to violence and abuse against our children. A Child Welfare and Protection Unit is being created to be responsible for the overall welfare of the Child. Our children are our future. Let us fulfil our duties to children and the nation's future.

D 4.6 POVERTY ALLEVIATION

The effects of the HIV/AIDS pandemic, high unemployment rates, and the drought, have brought about incidences of poverty, which have never been experienced in the country before. Government will facilitate the implementation of the Poverty Reduction Strategy and other related initiatives. The recently established Poverty Alleviation Unit will continue to monitor our attainment of the Millennium Development Goals, and the effectiveness of the strategies to alleviate poverty.

Communities will be empowered through development projects in order to minimise the effects of poverty and the concomitant problems of unemployment. Government will cater for the elderly and aged through support to communities and families with elderly people. Communities will be sensitized to share responsibilities with elderly neighbours. Furthermore, Government will explore the viability of a social security system for the elderly people on a sustainable basis.

D 4.7 FOOD SECURITY

Government will vigorously pursue the goal of food security and general improvement in agricultural productivity. This will be achieved through:

Increasing Agricultural Production

Government will build on the on-going measures to improve agricultural production. These include amongst others:

Promoting diversification of crop production;

Developing a comprehensive water resource initiative for agriculture;

Removing the monopoly in the importation of agricultural inputs from manufacturing companies;

Providing greater economic access to agricultural inputs by specific vulnerable groups of farmers and communities in our society;

Improving the marketing of agricultural commodities particularly maize, fruits and vegetables; and

Completion of the Comprehensive Agricultural Sector Policy (CASP), which will give the changes and measures that will utilise the nation's existing human, physical and financial resources more effectively and efficiently.

Government strongly believes that our vision of a food secure Swaziland is attainable. The Water Act is now in place and a Water Authority has been launched. Action is now being taken to establish a Department of Water Affairs, which will rationalise existing water sector agencies in Government.

Increasing Maize and Cotton Production

The lack of food security for a large proportion of our population is an issue of great concern to Government. Maize as our staple crop, has a major contribution towards attainment of food security.

Over the last 4 to 5 years maize production has seriously fallen below average thereby rendering many of our families food insecure. The major contributing factor towards this adverse situation has been the recurring droughts. Another issue relates to the high incidence of HIV/AIDS which has taken not only a large proportion of farmers out of active production but has also increased demand for food for orphans and other vulnerable groups of our population.

Government will promote the production of maize by assisting some vulnerable farmers with means to acquire agricultural inputs such as seed and fertilizer. The on-going construction of earth dams for irrigation purposes will be intensified.

The persistent drought has also adversely affected the production of cotton in the country. Government strongly believes that increasing cotton production in the country will enhance economic opportunities for rural dwellers and significantly reduce poverty because it can be grown successfully in marginal rainfall areas where poverty is prevalent. As from this cropping season, cotton production will be actively promoted. Furthermore, the requirements for our continued participation in AGOA call for a greater proportion of the processed cotton to be produced locally.

Government is quite aware that the ginnery in Big Bend, currently, has a higher share of local ownership through the Swaziland Cotton Board. However, in order for it to resume production, a minimum of 5000 tones of cotton will be required. The production of irrigated cotton will be an added advantage in the Lubombo region once LUSIP is implemented.

Improving Veterinary and Livestock Services

Government will continue to protect livestock from territorial and trans-boundary animal diseases, so that the trade in livestock and livestock products is not impeded. In this regard, Government will effect the following interventions:

Intensify and ensure the territorial integrity of various livestock disease controls and prevention measures;

Strengthen and enhance disease surveillance, monitoring capacity, epidemiological data and information management particularly on trans-boundary disease, as a form of early warning system;

Institute and effect an appropriate national livestock identification system, compatible with similar regional systems, for the traceability of animal disease and the enhancement of trade; and

Promote the production and marketing of high quality poultry, pigs, goats, sheep, dairy and beef cattle.

Land Use Planning

On land use planning, Government will continue to guide the nation on sustainable utilization of the land resource, by ensuring that the land is used to its best potential while at the same time safeguarding it from deterioration. Measures to ensure that land use planning is maximised include among others:

Reorganising the land uses in rural areas.

Providing infrastructure in resettled areas that will enable easy movement of inputs and outputs.

Socio-economic analysis and planning support will be provided to implement agricultural development programmes and projects including those initiated by the public. Government will further carry out the following:

Improve the provision of advance information (early warning) on food security prospects in the country at both national and household level through proper assessments of expected production, food supplies and food requirements; and

Strengthen the co-operation in agricultural trade within the region and beyond.

A Land Policy has been developed and awaits approval. This policy is critical to ensuring access to land resources, especially in the rural areas. His Majesty's Government is hopeful that Chiefancy disputes which have in variably caused delays and disruptions in the implementation of projects will be addressed by the appropriate structures without hindering development.

Environmental Management and Conservation

It is fundamentally important that the environment be used in a sustainable manner. This means that ecological balance must be maintained, and that both the public and private sectors accommodate environmental considerations in their policies, strategies and programmes.

Government is committed to the concept of sustainable development. This commitment is demonstrated by the establishment of the Swaziland Environmental Authority (SEA) as an autonomous agency. SEA has established regulations on environmental impact assessment to make environmental assessment mandatory for all development projects. Another initiative is the National Environmental Action Plan, which has been prepared and adopted. The plan provides a framework for tackling the country's environmental problems.

The following major programme areas have been identified for necessary action within the short to medium term period:

Capacity building for effective environmental management;

Environmental education, public awareness and participation;

Management and use of biodiversity;

Resource management for increased productivity;

Waste management, pollution control and environmental health; and

Up-scaling programmes for land rehabilitation and involvement of communities.

These programmes will address the major environmental challenges currently facing the country.

D 4.8 DATA AVAILABILITY AND RESEARCH FOR DEVELOPMENT

Data Availability and Timeliness

The availability of reliable, valid and up to-date data is crucial for development planning, tracking of progress towards the achievement of set goals and targets. The country report on the status of Swaziland with regard to the MDG's, points out the urgent need for improving the national statistical system. It also proposes improving the capacity to incorporate statistical analysis into the policy, planning and resource allocation mechanism.

Research for Development

The importance of this policy statement also stems from the fact that knowledge is one of the important ingredients of human progress. We need to develop a culture of generating relevant information before any decision is made in both the public and private sectors. Research can be undertaken on a continuous basis by dedicated institutions or on an ad hoc basis as and when need arises. These institutions dedicated to research must receive adequate funding and support, which could be encouraged by appropriate fiscal incentives. The research should span all areas - including natural science, production technology, social science, humanities, education, population and health.

Existing technology from abroad can be used quite profitably if we have the capacity to investigate the possibility of adapting that technology to suit local conditions. Conversely, if the required research capability threshold has been reached, locally based research results can find application abroad. All this would move the economy towards the NDS Vision 2022 and also have a favourable impact on some of the other key macro strategies especially human resource development, agricultural development and Industrialisation.

E NATIONAL DISASTER

We are all aware of the devastating effects caused by the drought and land degradation; increasing poverty and HIV/AIDS in the country. All these fundamental trends have been reinforcing negative effects that have created a web of extreme vulnerability reinforced by the collapse of traditional family coping mechanisms.

The severe drought that has hit the country for the fourth consecutive year, combined with heavy storms at the beginning of the year, adversely affected agricultural production. The situation was further worsened by the economic performance of the country. In response to the cumulative vulnerability of the country, His Majesty's Government declared a national disaster early in the year. In line with this declaration, Government has tabled the Disaster Management Bill, which is under consideration by Parliament. The Bill will go a long way in addressing some of these concerns. Developing a comprehensive early warning system will also enhance efforts for disaster management.

We will continue to appeal to both national and international community to help by providing food aid and with whatever available resources in order to respond effectively to the challenges and needs of our affected people and communities. Government will continue pursuing other options to address the situation.

F FREEDOM OF THE PRESS

The Government is committed to freedom of the press and recognises that freedom of the press is an essential ingredient of good governance. However, as Media practitioners are aware, no freedom is absolute, without limits and responsibility. It is therefore my fervent hope that whilst Government await the unveiling of the proposed code of conduct and ethics, the Media will continue to adhere to the universally recognised principles of professional journalism. His Majesty's Government appreciates the role of the Media in being proactive in reporting on developmental issues, corruption in the country and weaknesses in the delivery of services by government.

G INTERNATIONAL RELATIONS

Government will continue to seek to improve international relations and international trade co-operation between the Kingdom of Swaziland and other countries. Government will approach friendly and supportive countries to establish diplomatic ties with them.

Our membership to international organisations will be reviewed to improve the benefits of our participation in these organisations. Government will continue to ensure that the image of the country is accurately reflected to the international community.

In collaboration with Swaziland Investment Promotion Authority (SIPA), all our Missions abroad will continue to seek new investors and be guided by a comprehensive trade policy and promotion strategy that will outline our competitive and comparative advantages. This policy will be enacted in full collaboration with all concerned parties in Government and from Business.

Government will provide our Missions with the appropriate skills in promoting investment and in international relations, so that they can effectively market the country.

H CONCLUSION

As a Nation we have the choice to move onto the High Road of Political, Economic, Social and Governmental stability and Excellence, or the Low Road of Degradation. There are many challenges that we face as a Nation that currently are pushing us towards the Low Road of Degradation.

I want to say that His Majesty's Government is determined and confident that Swaziland must; and will; deal with these challenges effectively to reverse this trend and to take the High Road of Stability and Excellence.

There will be a cost in doing this. Taking our bitter medicine as a Nation may not always be pleasant or popular. Hard choices will have to be made, as we do not have limitless resources. Discipline and hard work will be the order of the day in the Public and Private Sectors of our society.

With sound decisions, disciplined implementation, hard work, perseverance, and integrity we can achieve our NDS Vision 2022.

The Lion Kingdom will once again be proud amongst the nations of the world. Our people will enjoy the fruits of their labour and the Public Sector will proudly serve the people of Swaziland.

His Majesty's Government is determined to extract every ounce of value possible for the well being of the Nation as a whole. His Majesty's Government will put people first and will be people centered to ensure responsiveness in the delivery of services. It will be guided by the principles of integrity and truthfulness.

My Cabinet colleagues and I commit before the Almighty God, His Majesty the King, You, this august Body, and the people of Swaziland, to do everything in our power to make this policy become a reality over the next three to five years.