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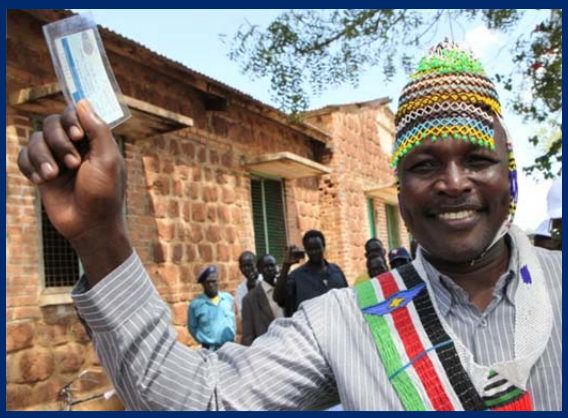
# South Sudan Transition Strategy 2011-13

June 2011



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## Acronyms, Abbreviations, and Sudanese Terms

| | |
|---|---|
| AIDS | Acquired Immune Deficiency Syndrome |
| boma | a village |
| CDCS | Country Development Cooperation Strategy |
| CMSI | Conflict Mitigation and Stabilization Initiative |
| CPA | Comprehensive Peace Agreement of 2005 |
| CSO | civil society organization |
| DDR | demobilization, disarmament, and reintegration |
| DFID | UK Department for International Development |
| DO | development objective (formerly, strategic objective) |
| DOD | Department of Defense |
| DOS | Department of State |
| DPT | diphtheria, pertussis, and tetanus |
| EC | European Commission |
| FFP | USAID's Office of Food for Peace |
| GDP | gross domestic product |
| GOSS | Government of Southern Sudan |
| GTZ | Gesellschaft für Technische Zusammenarbeit, a German technical assistance organization |
| HIV | Human Immunodeficiency Virus |
| INL | Department of State Bureau of International Narcotics and Law Enforcement Affairs |
| IR | intermediate result |
| LRA | Lord's Resistance Army (a rebel movement fighting the government of Uganda) |
| MDTF | Multi-Donor Trust Fund |
| MDG | Millennium Development Goal |
| MOE | Ministry of Education |
| MOH | Ministry of Health |
| MWCT | Ministry of Wildlife Conservation and Tourism |
| MWRI | Ministry of Water Resources and Irrigation |
| NCP | National Congress Party |
| NGO | non-governmental organization |
| OCHA | UN Office for the Coordination of Humanitarian Affairs |
| OFDA | USAID's Office of U.S. Foreign Disaster Assistance |
| payam | sub-county administrative level |
| PMP | Performance Management Plan |
| SAF | Sudan Armed Forces |
| SPLA | Sudan People's Liberation Army |
| SPLM | Sudan People's Liberation Movement |
| SSPS | South Sudan Police Service |
| Three Areas | Blue Nile and Southern Kordofan States and the Abyei Area |
| UN | United Nations |
| USG | U.S. Government |
| USSES | U.S. Special Envoy to Sudan |

# 1 Executive Summary

South Sudan's[1] development challenges are daunting. This region, historically within the Sudanese provinces of Bahr el Ghazal, Equatoria, and Upper Nile but now divided into the 10 southern states of Sudan, is home to over 110 ethnic groups, many of whom suffer from some of the world's worst socio-economic conditions. It was engulfed in Africa's longest-running conflict—two phases of civil war spanning nearly 40 years and ending with the Comprehensive Peace Agreement (CPA), signed on January 9, 2005. The interim period of the CPA is set to expire in July 2011, six months after a referendum on self-determination for southern Sudan; the southern referendum took place January 9-15, 2011, and resulted in an overwhelming approval of the secession option. A separate referendum for the region of Abyei is also required under the CPA.

This 2011-13 USAID Transition Strategy is based on the premise that increasing stability in the immediate post-CPA period will depend on a combination of strengthening core governance institutions and processes and making them more inclusive, responding to the expectations of the population for essential services and improved livelihoods, as well as containing the conflicts that are likely to erupt and addressing the grievances behind them. The Transition Strategy further builds on USAID's previous 2006 strategy and sets forth USAID's plan to assist the government and people of South Sudan to enhance stability and advance their development aspirations in the two to three years immediately following the expiration of the CPA interim period. Also, the experience of the last six years demonstrates that moving from humanitarian to development programs and approaches is not a simple or linear process. Areas of the south that were stable subsequently lapsed into conflict, often triggered by drought or other environmental factors, and required relief again. The Transition Strategy also takes into consideration the capacity needs of the Government of South Sudan (GOSS), at the central, state, and local levels, the potential contributions of other development partners, and the anticipated role of other elements of the U.S. Government (USG).

The Transition Strategy is informed by both the broad, long-term experience of USAID in southern Sudan and specific evidence, findings, and recommendations gathered through recent studies (as detailed in Annex B), including three recently completed assessments covering the environment, gender, and conflict. USG stabilization teams have also provided information that has informed this transition strategy, identifying critical conflict issues, illustrative programs, and interventions to address instability in conflict areas. This Transition Strategy lays the foundation for the USG's long-term engagement in South Sudan, whose strategic focus will be informed by a Country Development Cooperation Strategy that will be developed over the intervening two years.

The Transition Strategy addresses critical local drivers of conflict through flexible and quick-impact conflict mitigation interventions in flashpoint areas that will be implemented in partnership with local officials and traditional authorities. USAID will support broad initiatives

[1] Given that the region of southern Sudan is expected to be a separate country on July 9, 2011, where it is appropriate to refer to this future expected nation, the term "South Sudan" is used. When referring to the region as a part of Sudan prior to this time, "southern Sudan" is used.

to strengthen effective, accountable, and inclusive governance, the lack of which underpins and deepens grievances that can be mobilized for conflict in South Sudan. At the same time, citizens' grievances against the state will be addressed by targeting specific institutions, processes, and actors focusing on building effective and transparent institutions at the executive level, reducing corruption, and fostering a stable macroeconomic and legal framework that encourages investment. USAID will strengthen the capacity of citizens, civil society, media, and other nongovernmental actors to hold the GOSS accountable and ensure that it is responsive to its citizens. GOSS and private efforts to address citizens' high expectations for delivery of essential services will be strengthened at the state and local levels, in coordination with ongoing humanitarian programming and with an aim to transition from aid dependency to GOSS self-sustainability. USAID will support, with other donors, the oil sector and oil revenue management since South Sudan will remain primarily an oil-based economy for some time to come.

The lack of economic opportunity, particularly among marginalized youth, is another critical potential driver of conflict in South Sudan. USAID will support sustained and inclusive agriculture sector-led growth to enhance resiliency and reinforce stability. Economic interdependence will be reinforced through increasing household productivity and linking communities to markets, providing access to credit for agribusinesses and small-scale farmers, and building strategic partnerships to better enable south Sudanese to capture market opportunities and enhance stability in targeted areas where lack of economic opportunity is part of the conflict dynamic.

The overall goal of USAID's Transition Strategy is: *An increasingly stable South Sudan post-CPA.*

The goal will be accomplished through four Development Objectives (DO): *DO1– Conflicts in Flashpoint Areas Mitigated; DO2 – Effective, Inclusive, and Accountable Governance Strengthened; DO3 – Essential Services Developed and Maintained;* and *DO4 – Agricultural-Based Economic Opportunities Expanded.* Though not explicit in the names of these Objectives, this strategy lays out plans for USAID's engagement on key economic management concerns (under DO2) and for synergies with programs led by USAID's humanitarian arms in the Offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP). While USAID's mandate does not include security programs, maintaining security is essential to the achievement of the goal and is thus included in the results framework.

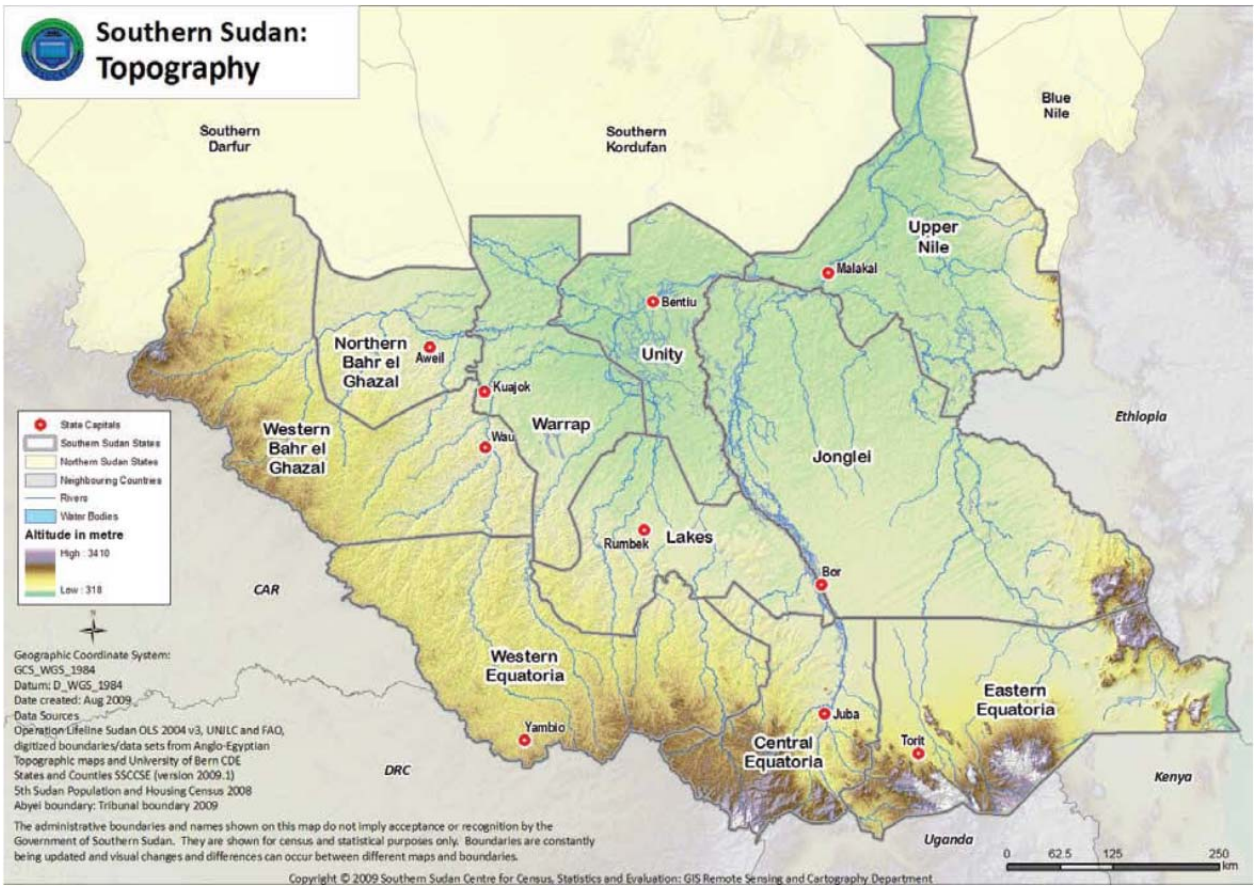
GOSS Ownership and Capacity Building: The transition strategy is fully aligned with the four pillars of the three-year development plan that the GOSS is currently working on: 1) Governance; 2) Economic Development; 3) Social and Human Development; and 4) Conflict Prevention and Security. The Transition Strategy supports GOSS' priority core governance functions in the areas of executive leadership, fiduciary management, public administration, and natural resources management. These core functions have been identified as essential to effective government in the post-CPA period and building GOSS capacity is a core element of each Development Objective.

# 2 Development Challenges and Opportunities

## *2.1 Introduction*

The period following the signing of the CPA has brought a measure of peace and the beginning of development to the region. Under the terms of the agreement, a new, semi-autonomous Government of Southern Sudan (GOSS) was established and is functioning in southern Sudan with its capital in Juba. Ninety-eight percent of GOSS revenue derives from oil revenues allocated to southern Sudan according to the wealth-sharing component between the North and South set forth in the CPA. Ten state governments have also been established and are functioning in rudimentary fashion in southern Sudan. The states receive transfers through block grants from the central GOSS, primarily to cover salaries for teachers, health workers, and other employees. An interim constitution was approved in 2005; a legislative assembly was established; and national, southern Sudan regional, and state executive and legislative elections were held in 2010. The GOSS committed to "taking the towns to the villages"—bringing roads, schools, and health facilities to where the overwhelmingly rural population lives. Unfortunately, statistics show limited progress in improving the socio-economic status of southern Sudanese during the last five years.

Insecurity and prevalence of arms persist in the region, driven by competition for resources, longstanding ethnic rivalries, lack of food and essential services, and aggravated by a high level of corruption and minimal capacity. Insecurity at the local level reflects highly localized circumstances, with potential triggers of violence including environmental shocks, abduction of



women and children, and livestock raiding. Combined, these factors damage trust and public confidence in the systems that affect people's daily lives.

The GOSS, by its own admission, struggles to confront these challenges: *"Despite the people of southern Sudan strongly believing that the GOSS is their government, their enthusiasm is tempered by perceptions of the government performing below expectations [on]… such issues as corruption, tribalism, poor delivery of services, and inadequate sharing of information and consultation."*[2]

This Transition Strategy sets forth USAID's plan to assist the government and people of South Sudan to enhance stability and advance their development aspirations during the next two years. Further, recognizing that stability in South Sudan is reliant to a great extent on stability in the north, USAID is concurrently developing a separate Transition Strategy for northern Sudan that specifies what USAID will do to mitigate conflict along the north-south border areas, maintain the viability of early recovery efforts in Darfur, and support consensus building and civic participation.

### *2.2 Human Development Challenges: Deficiencies and Disparities*

Conflict and instability are the foremost constraints to socio-economic development and private sector investment in South Sudan. Yet without improvements in the population's standard of living, there can be no long-term conflict resolution. Based on Paul Collier's analysis (*Post-Conflict Economic Recovery*, 2006), the average risk that a post-conflict society reverts to conflict within its first post-conflict decade is 40 percent. For South Sudan, the risk of relapse is especially high as the widespread perceptions of marginalization that brought the region to war persist, fed by severe poverty, food insecurity, weak governance, and lack of infrastructure, services, and economic opportunities.

The people of South Sudan are among the world's poorest, with more than half the population living on less than one dollar per day. South Sudan's most recent UN-estimated gross domestic product (GDP) per capita of US$90 in 2009 is remarkably low, even by sub-Saharan African standards. During the past five years, acute food insecurity in the region has necessitated short-term emergency food aid, with only those who have remained displaced receiving long-term assistance. Population displacements resulting from localized conflict and/or the return of formerly displaced people contribute significantly to food insecurity, as newly arrived individuals have limited opportunity to practice self-sustaining measures such as farming in the immediate term. Conflict also often restricts market access, causing local price increases and reducing availability of staple goods. Neither markets nor infrastructure are sufficient in South Sudan to allow the little surplus production that exists to reach food deficit areas.

Access to clean water and sanitation is limited. Only half of southern Sudanese have access to clean, potable water, while only 31 percent have access to improved sanitation. This situation, coupled with poor hygienic practices, continues to threaten the lives of southern Sudanese—especially children. Particular waterborne disease manifestations include cholera, hepatitis, and polio. Much of the donor community's efforts to ameliorate this challenge have involved drilling

[2] *South Sudan Vision for 2040.*

boreholes and providing pumps that provide clean water as part of a broader humanitarian assistance package, although without ready access to spare parts and inadequate maintenance, many pumps no longer function.

South Sudan's health needs are staggering. Maternal mortality, an estimated 2,054 women per 100,000 live births, is among the highest in the world. Contributing to this is the fact that 90 percent of deliveries occur without a health care professional in attendance. Infant mortality, at 102 per 1,000 live births, is also among the world's highest. Nutritional data from the *2008 Annual Needs and Livelihoods Assessment* (covering eight states, excluding Western and Central Equatoria states), revealed that a quarter of all children under five years of age were underweight and nearly one in five was stunted. Less than 17.5 percent of children are fully immunized. Approximately 30 percent of the population does not have access to a health facility. The increasing prevalence of HIV/AIDS, a "negative peace dividend" resulting from increased traffic from neighboring countries with higher rates of HIV/AIDS, is cause for alarm.

South Sudan also has an acute shortage of educational institutions and resources. Seventy-three percent of the population is illiterate, according to the Southern Sudan Centre for Census, Statistics and Evaluation. Nearly one in four civil servants lacks a formal education. While enrollment in primary school has increased from 800,000 in 2006 to 1.3 million in 2009, the quality of instruction is exceedingly poor. In addition, a need exists for vocational and non-formal training to reintegrate thousands of ex-combatants and hundreds of thousands of newly arrived returnees into productive employment and to develop a labor force with the skills to support a growing economy, especially in the areas of construction, mechanics, plumbing, and electricity. In some cases, new returnees arrive with key skill sets already in place from job experiences in northern Sudan, such as teaching or construction. Properly utilizing these human resources in the growing economy is a major opportunity for maintaining stability and promoting an environment for further development.

South Sudan lacks the infrastructure necessary for enhancing security and spurring economic development. The vast majority of roads in the south are unpaved and impassable during the rainy season, in an area the size of Uganda, Kenya, Rwanda, and Burundi combined. USAID is building the first paved highway outside urban areas—200 kilometers—from Juba to the Ugandan border. Only the towns of Juba, Malakal, Wau, Kapoeta, Maridi, and Yei have partial access to electricity.

South Sudan has an abundance of natural resources, especially oil. Securing and optimizing the use of oil revenues is at the heart of South Sudan's post-referendum opportunities—and threats. To fully benefit from its natural resource endowment and avoid the hazards associated with a purely resource-based economy, South Sudan's leaders must manage these natural resource revenues effectively and transparently in order to ensure that the economy is sufficiently diversified to withstand economic shocks.

Agricultural development is viewed as the engine that will not only allow South Sudan to diversify its economy away from oil dependence, but also to directly reduce poverty and food insecurity. The key to bring about broad-based economic growth involves removing the constraints that limit this sector from realizing its potential. Nearly 87 percent of the population

depends on agriculture, livestock, or forestry for their livelihood. Yet these sectors provide less than 30 percent of the region's GDP and the incidence of poverty in the rural areas is double that of the urban areas. Currently, food imports are the mainstay in the region's urban markets.

South Sudan has a land area greater than that of France, 90 percent of which is arable, yet only 10 percent is currently under cultivation. According to a 2009 International Food Policy Research Institute analysis of the region's agricultural natural conditions, the potential for agricultural growth is tremendous, with more than 80 percent of its land classified as having a length of growing period equal to or more than 180 days, indicating sufficient moisture and temperature conditions to support crop growth conditions, even under rain-fed conditions.

### *2.3 Risk of Post-CPA Conflict*[3]

The two primary risks of conflict in the post-CPA period are: 1) conflict between Sudan and South Sudan, possibly through proxies; and 2) intra- and inter-tribal conflict within South Sudan as a result of small disputes that escalate over access to resources, and are sometimes driven or manipulated by elite interests. It is possible that conflicts will arise between the north and south related to division of powers and resources that are not yet politically settled through the post-2011 negotiations. However, the greater potential for conflict lies along the north-south border. This region suffered the bulk of fighting during the civil war, with control of certain areas changing hands frequently, resulting in significant population displacements.

Conflict within the south is also anticipated. According to the UN Office for the Coordination of Humanitarian Affairs, during the first 10 months of 2010 a total of 911 persons died as a result of local conflicts in southern Sudan, albeit a significant decrease from 2009, when more than 2,000 were killed. The circumstances surrounding these conflicts are usually highly localized. The clashes are often driven by evolving social dynamics between communities, economic and livelihoods concerns, and beliefs about land and resource ownership and use. Nonetheless, disputes over resources can cement ethnic allegiances and are sometimes manipulated by state or national-level actors. Additionally, grievances about equity in government-provided security and services also affect relationships between and within groups and can influence whether communities attempt to use formal institutions to resolve differences or take matters into their own hands. In many instances during the past year, communities chose to handle their own security through non-state militias, composed mostly of unemployed youth who are aligned with competing national elite interests. These groups, some of which fragmented along sub-ethnic and/or religious lines, provide protection for their communities yet are suspected of engaging in hostage taking and livestock raiding, leading to cycles of raids and revenge attacks. Given already scarce resources and limited livelihoods opportunities, the potential is high for tensions between host communities and returnees arriving during the referendum and post-referendum period.

### *2.4 USG/USAID's Role in Sudan*

#### *2.4.1 Past History, Prior to 2005*

The USG's humanitarian and development engagement in Sudan dates to 1958, when

[3] This section is based on a conflict meta-analysis by USAID's Office of Conflict Management and Mitigation.

Washington and Khartoum entered into an agreement on "economic, technical, and related assistance." Since then, the USG has been the largest donor of humanitarian assistance to Sudan. The relationship deepened in the early 1980s, after Sudan became one of only three Arab League states to support the Camp David accords between Egypt and Israel. By 1984, USAID's budget for Sudan included $25 million in development assistance, a $120 million commodity import program, and $50 million to finance the sale of agricultural products. Emergency assistance and food aid increased dramatically in 1984-85 in response to a drought emergency in Darfur and Kordofan; some rural Sudanese still talk about the "Reagan sorghum" of the 1980s that saved tens of thousands of lives.

During 1988—a year that saw a massive famine in the state of Bahr el Ghazal, floods in Khartoum, and locusts in Darfur—USAID spearheaded the emergency response and helped create Operation Lifeline Sudan, a negotiated system that allowed humanitarian assistance to reach a vast, previously impenetrable part of the war-affected south. By the late 1980s, Khartoum was home to the largest USAID program in sub-Saharan Africa. USAID also had a presence in Juba after building an office and residential compound at Jebel Kujur in the early 1980s; the two compounds provide office and residential space for the current Juba Consulate and the USAID Mission in southern Sudan. After the 1989 Islamic military *coup d'état* that brought General Omar Hassan al-Bashir to power, USAID's development program was shut down. Throughout the subsequent period, USAID's OFDA and FFP offices continued to provide emergency assistance with staff based in Nairobi.

By 2001, USAID was again supporting development, primarily in the south, while also facilitating north and south engagement in peace negotiations. Senior USAID officials, some of whom had personal ties to Sudan People's Liberation Movement (SPLM) leader John Garang, played key roles in the negotiations that led to the CPA. In the meantime, USAID implemented a modest program under a 2002-2005 strategy focused on the south, the Three Areas (Blue Nile and Southern Kordofan states and the region of Abyei), and CPA-related institutions in Khartoum to invest in reconstruction programs—democracy and governance, education, health, and economic recovery—that supported a sustainable peace and relied on the broad participation of the Sudanese people.

#### *2.4.2 USAID's Strategy and Accomplishments during the CPA Period*

Following the signing of the CPA, USAID developed a strategy "to support the implementation of, and reduce threats to, the Comprehensive Peace Agreement." Recognizing the immense needs in conflict-affected areas, the strategy focused on key geographic, political and socio-economic fragilities that could corrode the legitimacy and strength of the peace agreement while building basic governance systems. The strategy focused primarily on southern Sudan and the Three Areas.

USAID provided significant support to realizing the power-sharing objectives of the CPA through CPA milestones such as: approval of the interim constitutions; conduct of a national census, national, regional southern Sudan, and state elections, and a referendum for southern Sudan; and facilitation of popular consultations in Southern Kordofan and Blue Nile states. USAID assistance for election administration, domestic and international observation, civic and

voter education, access and participation, and political party capacity building in northern and southern Sudan has been critical to the realization of the electoral milestones.

USAID has been instrumental in establishing and building the capacity of the GOSS, including the Ministry of Finance and Economic Planning, the Ministry of Legal Affairs and Constitutional Development, and the Bank of South Sudan. At the same time, USAID has been strengthening state and local governments in the conflict-prone states of the south and the Three Areas to plan, manage, and deliver basic services.

In full partnership with the GOSS, both at the central and local levels, USAID worked to meet high citizen expectations for tangible benefits of peace: quality health care, basic education, potable water, increased economic opportunities, and new or improved physical infrastructure, mainly roads. USAID built or rehabilitated over 1,100 kilometers of roads and is constructing the first paved highway in southern Sudan to open regional trade routes. USAID introduced modern energy services in three towns to create an enabling environment for private sector investment and bolstered livelihood opportunities through microfinance lending. To encourage the responsible use of land and other natural resources, USAID supported participatory development of basic land-reform policies and improved management of the biodiverse Boma-Jonglei reserve.

USAID has helped to rebuild and expand primary health care and primary education systems in southern Sudan and the Three Areas. USAID supports delivery of essential health services through 165 health facilities in 14 of 79 counties in southern Sudan, contributing to improved immunization rates and increased use of bed nets to protect against malaria. USAID/OFDA has supported 177 health facilities, some of which are managed by the same NGO partners, covering an additional 28 counties. USAID-funded water projects provided 356,000 people access to clean water, and USAID/OFDA-funded comprehensive water, sanitation, and hygiene (WASH) interventions currently benefit nearly 250,000 individuals.

USAID also helped resolve local conflicts in flashpoint areas. In Jonglei state's Akobo County, USAID-funded youth training and small grants, in collaboration with community leaders' efforts, reduced conflict-related deaths from 700 in 2009 to 24 in 2010. USAID now refers to this type of successful programming as its "Akobo Model."

According to a recent gender assessment, USAID/Sudan has done very well in recognizing the strategic importance of gender. Most USAID-funded programs include gender as a cross-cutting theme, yet there is room for improvement, especially in implementation. USAID partners vary in terms of their conceptual understanding of gender, and how successful they are in gender integration.

#### *2.4.3 Other USG Initiatives*

In addition to the GOSS capacity development needs mentioned above, the USG has responded to needs related to security and rule of law through the leadership of the Department of State (DOS) and in partnership with the Department of Defense (DOD).

Since 2005, the DOS Bureau of International Narcotics and Law Enforcement Affairs (INL) has supported the development of the southern Sudanese criminal justice sector to maintain security

and enhance governance. INL is collaborating with the United Nations and other donors to provide the South Sudan Police Service (SSPS) with appropriate training, training facilities, communications, and police equipment, with an emphasis on information-led policing, command and control, strategic planning, and road safety. INL is partnering with the Government of Norway to construct the Juba University School of Law, develop a legal curriculum and re-establish a law faculty in Juba. Through its implementing partner, IDLO, INL is assisting the GOSS Ministry of Legal Affairs and Constitutional Development and the Judiciary of South Sudan with training programs. INL also works closely with the Southern Sudan Prison Service in partnership with the UN Office on Drugs and Crime to improve the juvenile justice system and support training programs.

Additionally, the Office of the U.S. Special Envoy to Sudan (USSES) provides funding for the USG security assistance program in southern Sudan, an effort that provides non-lethal assistance to transform the Sudanese People's Liberation Army into a professional force. USSES also funds the Conflict Mitigation and Stabilization Initiative (CMSI) project with the Ministry of Interior, which supports the improvement of GOSS inter-agency communication on security issues, supports the 10 state governors and their State Security Committees, and helps inform other USSES programs that established and are improving the capabilities of the Joint Operations Centers (JOCs) at the state and county levels.

As USAID advances this Transition Strategy, the need to coordinate and connect USG programming across the sectors of development and security sector assistance will be increasingly important. As the USG advances strategic planning and implementation efforts for security sector assistance, the interrelationship with development and the impact that progress or setbacks may have between the sectors will likely be significant.

Lastly, stabilization teams mobilized by the State Department's Office of the Coordinator for Reconstruction and Stabilization (S/CRS) are helping USAID identify potential conflict issues and often help inform proper implementation.

### *2.5 Other Donors and Development Resources*

In 2009, development partners committed an estimated $700 million for the development of southern Sudan. Based on data from the Inter-Donor Coordination Forum, traditional and non-traditional partners have provided approximately $688 million in 2010. Though the multilateral development banks have no lending portfolio in Sudan due to unpaid arrears, the World Bank manages a multi-donor trust fund (MDTF), the largest of five pooled funds supported by bilateral donors and the European Commission, aimed at financing longer-term development programs. Four other funds—the Capacity Building Trust Fund, the Basic Services Fund, the Sudan Recovery Fund and the Common Humanitarian Fund—are more limited in scope and resources than the MDTF, with a narrower range of interventions and sectors. The funds were established at different times, to meet different needs, some of which were informed by the implementation experiences of the MDTF. Lessons from the experience with these funds are informing GOSS and development partner deliberations about future aid architecture, especially in the context of defining thematic priorities and their geographic focus. A key consideration is striking the right balance between capacity building and timely, effective implementation.

Nearly all the UN funds and programs and specialized agencies as well as major European donors are active in Sudan (see Annex A). The UN Office for the Coordination of Humanitarian Affairs (OCHA) facilitates the release of an annual Sudan work plan, which provides data regarding a number of humanitarian and early recovery projects in one document. Of the European donors, the most active is the British Department for International Development (DFID), which supports better governance and security, health, and education. DFID is also the primary contributor to the UN-managed Common Humanitarian Fund, which funds short-duration emergency projects. The Norwegians support the oil sector and capacity building. The French contribute financially to UN agencies operating in southern Sudan to implement projects in local governance and gender, the census, water and sanitation, and the Global Fund to Fight AIDS, Tuberculosis and Malaria; and the Germans, through GTZ, provide funding for roads and improved drinking water systems. The European Commission's primary activities are in rural development and food security. The European Commission's Humanitarian Aid Office (ECHO) is a major humanitarian donor in southern Sudan, prioritizing support for health, nutrition, and food security programs.

Other traditional donors include Japan, which provides assistance through the Japan International Cooperation Agency to consolidate peace in Sudan, including providing volunteers in key sectors as well as infrastructure. The Canadian International Development Agency provides humanitarian aid and supports health care and access to education.

The picture would not be complete without mention of the extensive, yet not well reported, efforts of the People's Republic of China, India, Egypt, Kenya (the largest provider of technical advisors to the GOSS), Libya, and Saudi Arabia.

# 3 Transition Strategy Assumptions, Rationale, and Focus

Since 2006, USAID's program for Sudan has focused on supporting the implementation of the CPA. Seventy-eight percent of the portfolio is scheduled to be completed by December 2011, six months after the expiration of the CPA interim period. Hence, USAID/Sudan commenced consultations for a new development strategy in mid-2010. These consultations included GOSS officials, representatives of the civil society and private sectors, other donors and the UN, and USG representatives from DOS, DOD, the Centers for Disease Control and Prevention (CDC), Treasury, and other USAID missions in East Africa. Ongoing GOSS-development partner efforts to ensure that core governance functions are in place in July 2011 and sector-level joint planning have also informed the strategy.

## *3.1 Critical Assumptions Regarding Post-CPA South Sudan*

The post-CPA (post-July 2011) Transition Strategy will seek to consolidate and build upon progress during the CPA period and strengthen the foundations for stability going forward. USAID makes the following assumptions in developing this Transition Strategy:

- The parties to the CPA will honor and abide by the result of the referendum for southern independence;
- South Sudan will become an independent state in July 2011;
- Conflict may spark within the south and along the north-south border, but it will not be so widespread as to preclude development activities in significant areas of the south;
- A significant influx of southerners from the north and other countries prior to and following the referendum will create new pressures, particularly in terms of essential services and jobs, and yet may also bring benefits in terms of the returnees' skills, experience, and resources;
- Sudan and South Sudan may have a strained political relationship but mutually beneficial commerce will continue;
- The GOSS will continue to receive considerable revenue from petroleum; and
- Maintaining security will continue to be the GOSS' top strategic (and budgetary) priority and will therefore influence GOSS political choices during the strategy period.

Although international partners will continue to advocate that a greater share of the budget be allocated to development needs, the GOSS is unlikely to significantly increase investment in these areas during the period of this Transition Strategy. Given the importance of maintaining security to the stability of South Sudan, and to the success of this strategy, support by other USG (DOS, DOD) and international partners in the following areas will be essential:

- Security sector strengthening and reform, including effective disarmament, demobilization, and reintegration of a significant percentage of the Sudan People's Liberation Army (SPLA) and development of the police function;
- Improved inclusivity in security forces supported by all agencies working in the south; and

- Community-based reintegration that will support communities in a demobilization, disarmament, and reintegration (DDR) process with services and other development.[4]

### *3.2 Rationale for a Transition Strategy Rather Than a Country Development Cooperation Strategy*

While southern Sudan has been largely at peace since 2005, a Transition Strategy for the immediate post-CPA period is appropriate due to the relatively high degree of uncertainty about key factors that typically influence a development cooperation strategy. Factors that are difficult to assess at this time include:

- *The degree to which conflict, instability, and/or a large influx of southerners from the north or other countries will impede South Sudan's development*. Development resources may need to be redirected from capacity and systems building to service delivery in the event of large-scale repatriation or be shifted to different geographic areas and populations in the event of significant conflict.

- *GOSS structure, functions and priorities post-CPA.* With the advent of independence, the GOSS must take on new functions such as customs and monetary policy while continuing to improve performance of current functions. At the same time, the GOSS is contemplating a constitutional development process, which will re-examine choices embodied in the current interim constitution regarding decentralization, balance and distribution of power, and other matters. Finally, while the GOSS has begun to articulate overarching development priorities and sector strategies, these will be influenced by post-CPA political, economic, and security arrangements that are still being negotiated between the Government of Sudan and the SPLM. A document similar to an interim Poverty Reduction Strategy Paper is expected to be ready by late spring 2011.

- *The future role of other development partners*. Most donors programmed their resources to align with the CPA interim period and are also in the process of re-examining strategies and programs for the future. Overall external assistance levels are likely to change after independence and new partners engage. Chief among these are the multilateral development banks, notably the African Development Bank and the World Bank. Sudan is currently ineligible for financing from these institutions due to its high level of external debt and arrears ($38 billion). When South Sudan becomes independent as expected, it will take one to two years for the new country to join the institutions and become eligible for financing. The extent to which Sudan's existing debt is allocated to South Sudan will also affect the speed with which the new country can access multilateral resources. Bilateral donors, including USAID, will thus be providing the bulk of development assistance for the next few years.

On the whole, this two-year Transition Strategy provides a framework for USAID programming during the post-referendum period until a Country Development Cooperation Strategy (CDCS) is adopted.

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[4] *Southern Sudan Conflict Meta-Analysis.* Conducted by the USAID Office of Conflict Management and Mitigation, December 2010.

### *3.3 Focusing USAID's Assistance*

The GOSS, the Sudanese people, and the international community expect the USG, through USAID, to continue playing a leadership role in supporting South Sudan's development. USAID is respected for its substantive contributions to policy issues, technical advice on processes and ability to foster public-private partnerships, as well as its financial resources. USAID has productive, collaborative relationships with ministers and other senior officials across the GOSS and at state and local levels, as well as with other development actors.

While USAID has been involved in every major sector except security, this Transition Strategy focuses USAID's assistance on a somewhat narrower set of objectives. This approach is consistent with the GOSS' aid strategy, which encourages partners to concentrate in fewer sectors, and with USAID's newly issued guidance to focus resources and seek a division of labor with other development and humanitarian partners. At the same time, disengaging from entire sectors would leave significant gaps in capacity building and service delivery that would not be filled by other development partners for several years. Nonetheless, this strategy's development objectives and the anticipated means of accomplishing them are more focused than those of the previous strategy, as outlined below:

- **Sub-sector specialization**: The strategy emphasizes agriculture-based economic growth rather than broader economic growth and targets infrastructure that is critical to boosting agriculture; within education, USAID will focus on basic education for children and youth.
- **Large-scale infrastructure**, such as paved highways, is not anticipated.
- **Institutions**: As a result of a joint GOSS-development partner exercise, USAID's capacity building effort continues its focus on core governance institutions that are vital to effective government in the post-CPA period, such as the Ministry of Finance and Economic Planning. This GOSS-led process has significantly increased alignment and harmonization of donor efforts and resources, including those of USAID.
- **Systems/functions**: USAID will focus on strengthening specific components of essential service delivery such as the pharmaceutical supply chain in health, teacher training in education, and improved seeds in agriculture, while encouraging other development partners to strengthen other components of delivery systems.
- **Geography**: Given a number of factors, this strategy incorporates a mixed geographic focus, with priority given to mitigating conflict. These other factors include: existing geographic divisions of labor among donors, GOSS desire for an equitable distribution of USAID efforts, and the greatest needs and opportunities for each development objective (DO). Though it is not possible to specifically identify geographic locations for all of the DOs at this time, the following principles will drive future investments by DOs:
    - DO1: Focus will be on areas where there is clear risk that localized conflicts could escalate. This includes particular counties in six states as indicated in the table below.
    - DO2: USAID support to national institutions and processes of governance, particularly decentralization efforts from GOSS to the states, will impact all 10 states; however, local governance capacity support will concentrate on conflict-prone areas, including southern states that border with the north and other conflict-prone states and local governments, which require stabilization through long-term development efforts. Assistance to build

local governance capacity will be tightly coordinated with DO1 to ensure seamless assistance in targeted areas.

- DO3: USAID currently supports essential services in all 10 states, depicted in the table below. In consultation with the GOSS, states and other development partners, USAID aims to focus health essential service provision in a few states or other defined geographic areas so as to capture the synergy between improved water and sanitation, health, and local government capacity building. Preliminary thinking in the Ministry of Health is that each donor will support a lead agency, such as an international NGO, to manage and implement comprehensive health activities in selected states. Conversely, the Ministry of Education (MOE) has requested donors to maintain statewide coverage. It is probable that one or more of the DO3 focal areas will also be areas of high returnees and/or local-level conflict.
- DO4: A balance will be made between support for livelihoods in 'border states' in the northern part of South Sudan, with efforts that build upon past and ongoing USG investments (e.g., Juba-Nimule Road, agricultural development in the "green belt") that enable the development of key economic resources and thereby lay the foundation for economic security and stabilization over the medium term. New activities implemented in Jonglei state which will center on land tenure/land-use planning, and fostering agricultural development.
- USAID/OFDA and USAID/FFP are active in all states responding to humanitarian needs within them. FFP's Multi-Year Assistance Program (MYAP) plans include continued operation in Northern Bahr el Ghazal, Warrap and Upper Nile (focused on nutrition and health. Its planned livelihood MYAP will be operating in Jonglei.
- After more than a year of effective programming under this Transition Strategy, USAID will assess the effectiveness and impact of this mixed approach of isolated and co-located programming among its Development Objectives to develop a clear formula for geographic distributions under the future CDCS.

| State | DO1 | DO2 | DO3 | DO4 | FFP/MYAP | Needs and potential |
|---|---|---|---|---|---|---|
| Northern Bahr el Ghazal | X | X | X | X | Nutrition/health | Returnees |
| Warrap | X | X | X | X | Nutrition/health | Conflict/returnees |
| Unity | X | X | X | X | | Conflict/returnees |
| Jonglei | X | X | X | X | Livelihoods | Conflict |
| Upper Nile | X | X | X | X | Nutrition/health | Conflict/returnees |
| Western Bahr el Ghazal | | | X | | | Isolated with great need for services |
| Lakes | X | | X | X | | Conflict |
| W. Equatoria | | | X | X | | Agricultural growth potential |
| C. Equatoria | | | X | X | | Agricultural growth potential |
| E. Equatoria | | | X | X | | Agricultural growth potential |

If the critical assumptions of the Transition Strategy hold, USAID/Sudan believes that further focus will be possible in the next 18-24 months. By then, certain factors mentioned above that are difficult to assess at this time will be more evident and a greater division of labor among development partners will be possible.

### *3.4 Transition from Relief to Development*

The experience of the last six years demonstrates that moving from humanitarian to development programs and approaches is not a simple matter. The expectation that services provided by humanitarian agencies during the war would be taken over by government, with support from donors, has proved unrealistic. This is particularly true for the delivery of health services, as the GOSS has neither adequate capacity nor sufficient resources to replace the nongovernmental organizations (NGOs) delivering services. Donor-financed NGOs continue to provide the vast majority of primary health care, while a significant number of counties do not have service providers. The long-term solution is strengthening the capacity of the GOSS at the state and county levels to fund and manage service delivery, either by contracting for services, providing services itself, or most likely, a combination of both.

In addition, southern areas that were stable subsequently lapsed into conflict, often triggered by drought or other environmental factors, and required relief again. The significant influx of returnees before the referendum and additional anticipated returns in the post-referendum period have generated further humanitarian needs, demanding well-coordinated reintegration programming that addresses returnee and host community needs holistically. In practice, USAID reintegration programs will reflect the overlapping priorities of humanitarian and development assistance, with programs occurring simultaneously in the same project area to maximize immediate impact with long-term sustainability. Through humanitarian and development activities, USAID will build the capacity of the GOSS and the economic viability of beneficiaries to transition from aid dependence to self-sustainability.

### *3.5 Beyond Assistance: USAID's Broader Engagement in South Sudan*

In addition to the development results to be achieved with assistance resources, USAID will seek to accelerate South Sudan's development by active engagement with the government, private sector and other development actors to harmonize and multiply the impact of donor resources and leverage investments from others.

#### *3.5.1 A New Framework for International Engagement*

South Sudan's emergence as an independent country, the arrival of new development partners, and the significant resources that the GOSS itself will invest in development all point to the need for new structures for international engagement at various levels, both among the donors and between donors and the GOSS. USAID will collaborate with the GOSS and development partners in developing new aid architecture fitting for a nascent country. This effort will draw on the lessons learned from the institutions and processes of donor coordination that have been active in Southern Sudan including the Joint Assessment Mission process, Sudan Consortium meetings, and the various multi-donor pooled funds, as well as experiences from other countries. A new framework for international engagement should reflect these lessons and the dynamics between the newly independent GOSS and donors. The GOSS's aid strategy demonstrates its

willingness to provide leadership in coordinating international partners as well as a preference for budget support as the primary assistance modality.

### *3.5.2 The Essential Private Sector*

The private sector will play a vital role in South Sudan's development, bringing intellectual capital and know-how as well as financial resources. Following independence, there will be new opportunities for domestic and international entrepreneurs who previously may have been hesitant to invest for a variety of reasons. USAID will use its credibility, country knowledge and contacts to encourage private sector investment and will also seek opportunities for public-private partnerships to advance development objectives. At the same time, USAID will encourage the GOSS to create an enabling policy environment that fosters investment and drives development.

# 4 Goal Statement and Strategic Framework

## *4.1 Goal and Indicators*

The overall USG goal in this Transition Strategy is:

**An increasingly stable South Sudan post-CPA.**

The goal will be accomplished through four Development Objectives as indicated in the chart below. While USAID's mandate does not include security programs, maintaining security is essential to the achievement of the goal and is thus included in the results framework.

The premise of the strategy is that increasing stability in the immediate post-CPA interim period depends on a combination of: strengthening core governance institutions and processes and making them more inclusive; responding to the expectations of the population for essential services and improved livelihoods; and containing the conflicts that are likely to erupt and addressing the grievances behind them so that conflict does not spread. The strategy seeks to incorporate short-term improvements in living conditions through livelihoods opportunities, rapid increases in food production and direct provision of essential services. Also, the Strategy will build capacity for the government, civil society and the private sector to play a greater role over time. Strengthening the foundation for broader political participation and economic diversification is also important.

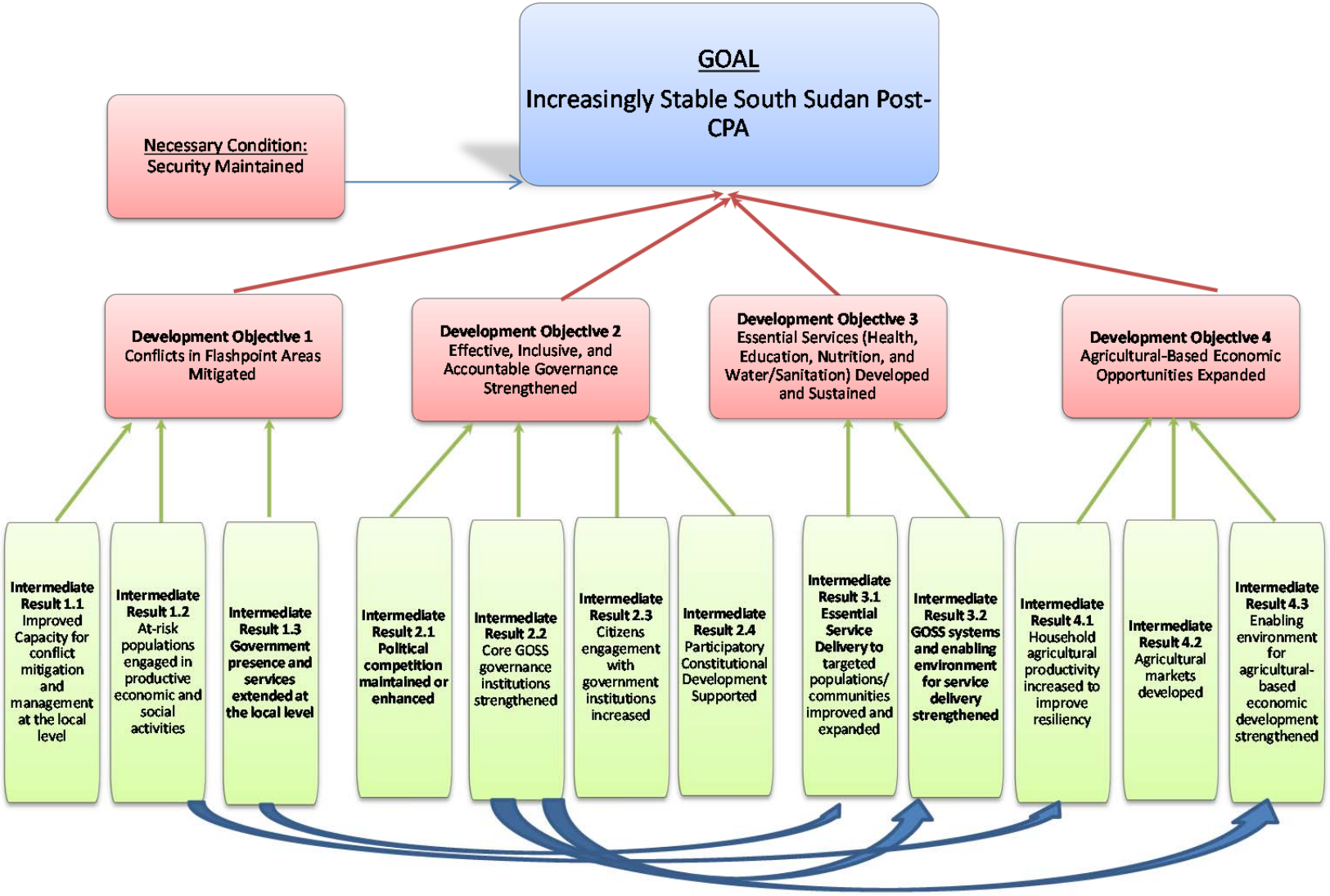
USAID will use a combination of indicators to track the level and extent of conflict throughout South Sudan and budget allocations to basic services. Potentially, an indicator on community stabilization will be developed based on a random sample of beneficiary communities:

Specifically, these two indicators will be:

1. The total number of violent conflicts in South Sudan measured periodically, as reported by the United Nations Office for the Coordination of Humanitarian Affairs. A baseline will be determined during the first three months of this Transition Strategy.

2. Percentage increase of GOSS budget allocated to basic services (health, education, in addition to water and sanitation, subject to confirmation).

### *4.2 Results Framework Graphic*



# 5 Overall Principles for Programming

## *5.1 Mitigating Drivers of Conflict*

Given that stability is the goal, the Transition Strategy emphasizes mitigating and managing the drivers of conflict to the extent that these are within USAID's manageable interest. This will begin with flexible, quick-impact conflict mitigation efforts in flashpoint areas that will be implemented in partnership with local officials and traditional authorities.[5] These efforts will target drivers of conflict at the local level, such as the weak capacities of government institutions, polarized ethnic relations, and the dearth of economic opportunities for at-risk populations. Interventions will provide fast responses to these sources of conflict, thus improving stability at the local level. As the capacity of the state to mitigate and manage conflict is built and security gains are made, USAID will maintain and build upon that progress with broader development initiatives in order to enhance the impact of investments and further reinforce peace and stability.

As conflict mitigation efforts quickly seek to enhance stability in flashpoint areas, USAID will simultaneously support broader initiatives to strengthen effective and inclusive governance, the lack of which is a key driver of conflict in South Sudan. Citizens' grievances, exacerbated by corruption, weak institutions, and exclusion from the decision-making process, will be addressed by targeting specific institutions, processes and actors. USAID efforts to mitigate these grievances will focus on building effective and transparent institutions at the executive level, and a stable macroeconomic and legal framework that will encourage investment. To increase inclusiveness in government, USAID will strengthen the capacity of citizens, civil society, media and other nongovernmental actors to hold the GOSS accountable, reduce corruption, and ensure it is responsive to citizens. Such interventions will focus on access to objective information, strengthening political parties to represent and expand their constituencies, and supporting a participatory constitutional development process.

Other sources of grievance, such as weak service delivery, will likely continue to plague post-CPA South Sudan. Focus group research has documented the enormous expectations of the population for greater access to education, clean water, and health care in the event of independence. If those expectations are widely unmet, instability could result. To reinforce stability, USAID will support the ongoing delivery of essential services with both development and humanitarian assistance, build human and institutional capacity, develop systems, and improve the enabling environment for effective and increasingly sustainable essential services that meet the needs and demands of the population.

The Transition Strategy also recognizes that lack of economic opportunity among certain populations (such as youth, ex-combatants, and returnees) as an enabling factor behind conflict in South Sudan. USAID will support sustained and inclusive agriculture sector-led growth in order to better enable the southern Sudanese to capture market opportunities, kick-start economic

[5] Flashpoint areas refer to a few zones plagued by chronic conflict that are linked to local conflict drivers or higher-level political dynamics, making managing, mitigating, and resolving them a priority for ensuring post-CPA stability in South Sudan.

growth, and to enhance stability in targeted areas where the lack of economic opportunity is part of the conflict dynamic. Building feeder roads and other strategic small-scale infrastructure projects will improve security and communication as well as economic activity. Furthermore, improved livelihoods will be reinforced through increasing household productivity to the point that they not only meet their needs but also create opportunities for producing and selling surplus products. Linking communities to markets, providing access to credit for agribusinesses and small-scale farmers, and building strategic partnerships to better enable southern Sudanese to capture market opportunities will reduce poverty and thus enhance stability. USAID will work with core GOSS institutions at the policy level to ensure that agricultural intensification is environmentally sustainable.

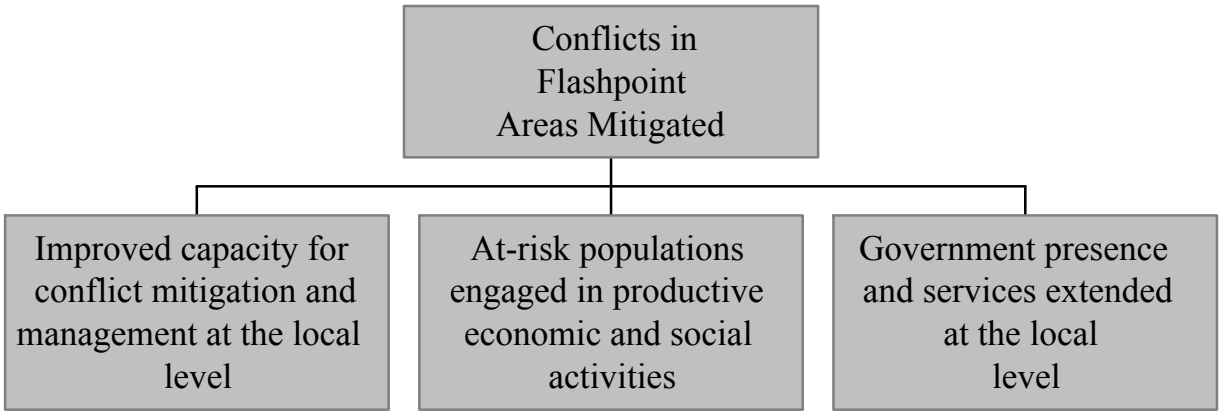
### *5.2 Ownership and Tying Efforts to other USG Programs*

The other key to USAID programming is to instill GOSS ownership in all development efforts while developing GOSS and other local partners capacity. The Transition Strategy is fully aligned with the four pillars of the three-year development plan the GOSS is currently working on: 1) Governance; 2) Economic Development; 3) Social and Human Development; and 4) Conflict Prevention and Security. The Transition Strategy also supports the GOSS' priority core governance functions in the areas of executive leadership, fiduciary management, public administration, and natural resources management. These core functions have been identified as those essential to effective government in the post-CPA period. Building GOSS capacity is an essential element of each development objective. The GOSS and development partners recognize that previous capacity building efforts have fallen short and are working together to improve the effectiveness of capacity building.

A key indicator of ownership is the increased contributions from the GOSS' own resources toward these development objectives. Currently, the percentage of the GOSS budget allocated to health, education, and agriculture is well below the average of other developing countries. Development partners expect to see a gradual improvement in the resource allocations to these areas.

*Whole of Government Approach:* Although this is a USAID strategy (including incorporating plans of OFDA and FFP), representatives of the State Department, Defense Department, and CDC actively participated in the conceptualization of the strategy and will play a role in its implementation. A whole-of-government approach, including significant diplomatic engagement, is essential to achieving the objective of an increasingly stable South Sudan.

# 6 Development Objective 1: Conflicts in Flashpoint Areas Mitigated[6]




### *6.1 Development Hypotheses Underlying This Framework*

Stability is a critical precondition for effective development. If stability takes hold in flashpoint areas where there is significant localized conflict, USAID will be better positioned to multiply the effects of its efforts and South Sudan's viability will be enhanced. Interventions under Development Objective 1 will set up a platform to monitor and respond to stability issues in critical flashpoint areas. These interventions will lay a foundation for reinforcing activities of the other Development Objectives. USAID will use an integrated assistance package for conflict-prone areas that will be tailored and sequenced to meet the needs of the different areas. It is essential, where possible, for long-term activities to seamlessly follow on to the shorter-term interventions under DO1.

USAID anticipates that during the two-year transition strategy period, the three intermediate results (IRs) for this DO would be incorporated into the other DOs and built upon. Specifically, by the end of the transition period, it is expected that many activities under IR 1.1 would be strengthened by DO2 programming as well as by other Department of State programs. IR 1.2 would be reinforced by economic growth programming (DO4), and that many activities under IR 1.3 would feed into DO3.

USAID's efforts to engage at-risk populations in productive economic activities will be reinforced by agriculture sector-led growth as well as alternative livelihoods. USAID's efforts to extend government presence and services will be enhanced and sustained by DO3. During the transition period, special attention will be paid to the reintegration needs of southerners in the north returning to the south. USAID can strengthen the absorptive capacity of local communities to respond to the current arrival of returnees from the north by creating more economic

[6] Flashpoint areas refer to a few zones plagued by chronic conflict that are linked to local conflict drivers or higher-level political dynamics, making managing, mitigating, and resolving them a priority for ensuring post-CPA stability in South Sudan.

opportunities that will allow returnees and residents to work together on common projects with shared goals and benefits.

IR 1.1 is the first priority of USAID's work under this DO and will focus on one of the most immediate threats to the process of state formation in South Sudan: internal stability. The primary cause of this internal instability has not been alleviated by the CPA. Local populations are still isolated and vulnerable, the social fabric is still torn and centralized political institutions are still weak. Strengthening the capacity of local change agents to manage conflicts is essential to preventing both old and new conflicts from erupting, enabling a smooth transition toward an independent South Sudan. Improving the capacity to mitigate and manage conflict at the local level entails building local government infrastructure, enabling isolated and insecure communities to have access to information and markets and to discuss and analyze conflict drivers and dynamics. Specifically, DO1 projects will focus resources to setting a foundation for peace (e.g., support to peace committees) and other DO programs will follow-up with longer-term projects, as possible. The second priority, IR 1.2, will build upon gains made on internal stability under IR 1.1 to transform underlying drivers of conflict through engagement of at-risk populations. The third priority, IR 1.3, will solidify internal stability by extending the reach and impact of activities under IRs 1.1 and 1.2. The implementing mechanism used for DO1 has the flexibility to adapt to changes in resource levels or strategic priorities, and will do so as necessary.

### *6.2 Key Challenges and Means to Meet Them*

The situations in conflict-prone areas threaten to unravel the state fabric. In these regions, there is limited or no legitimate state authority able to maintain security, provide basic services, or address core grievances that lead to conflict. Non-state militias, primarily composed of unemployed youth and frequently aligned with competing national elite interests, provide protection for their communities and engage in hostage taking and livestock raiding, often leading to escalating reciprocal violence among and within groups. These militias are believed to be used for political ends by some southern Sudanese officials and as instruments of the northern Sudan government to destabilize the south. Stabilizing these flashpoints is necessary to establish a solid foundation for a viable South Sudan and to contribute to preventing South Sudan from sliding back into broader conflict. USAID efforts to promote stability in South Sudan will be focused on those areas that pose the greatest threat to communities and peoples. The support will be flexible and responsive to the changing political and conflict dynamics, and will pair quick, high-impact results with building the capacity of community-based mechanisms to address conflict in those areas.

To demonstrate what will be accomplished in the next 24 months, the following illustrative indicators can be used for this Development Objective:

- Conflict mitigation committee established in targeted counties, and communities engage with public authorities to address public concerns resulting in community projects or government reforms.
- Increased state government presence in areas with a high potential for conflict.
- Increased access to remote and insecure regions.

***Intermediate Result 1.1: Improved capacity for conflict mitigation and management at the local level***

USAID will continue its current support to build the capacity of state and non-state actors for conflict mitigation and management. USAID programs will work to address drivers of conflict and promote the conditions for peace and community security in conflict-prone regions. This includes supporting the establishment of community-based conflict mitigation mechanisms, inclusive of local leaders, women and youth, which build democratic processes for addressing conflict without violence. USAID will closely coordinate with other USG and international agencies that are building the capacity of the state security sector such as the USSES Conflict Management and Stabilization Initiative (CMSI), which will focus on strengthening the State Security Committees and the Joint Operation Centers in all 10 states and INL's police training programs.

Illustrative interventions USAID will use are:

- Establishment and training of community-level conflict mitigation committees.
- Building the capacity of state and non-state actors through setting up and providing communications equipment for early warning posts in remote, conflict-prone areas.
- Local road improvement.
- Provision of transportation such as motorboats and motorcycles that enable government officials to respond to violence.

Illustrative indicators are:

- Reduced incidents of local-level violence in geographic areas of focus.
- Increased presence of local government authorities in geographic areas of focus.
- Number of government entities with increased capacity in geographic areas of focus.
- Number of infrastructure projects providing greater physical access (airports, security roads) in geographic areas of focus.
- Number of authorities with increased communications and mobility.

To improve the capacity to mitigate conflict at the local level, USAID will continue to coordinate with state and local authorities, the Ministry of Local Government, and State Directors for Peace (Ministry of Peace and CPA Implementation). Direct support will be provided to county commissioners, traditional authorities (either through the Council of Traditional Authorities Leaders where they exist, or directly to paramount chiefs), and the Bureau of Community Security and Small Arms Control (Ministry of Internal Affairs) at the state level. County commissioners and traditional authorities play critical roles at the local level. With increased capacity through USAID's efforts, county commissioners will have a greater ability to reach and enforce the rule of law at the county, payam and boma administrative levels, and traditional authorities will have the means to reclaim their roles in leading reconciliation and peace-building processes. USAID's support to the Bureau of Community Security and Small Arms Control,

consistent with Agency legislative authorities and policies, will place the Bureau in a better position to carry out its mandate of enhancing community security.

***Intermediate Result 1.2: At-risk populations engaged in productive economic and social activities***

The approach will target at-risk populations, particularly youth, engaging them in productive economic and social activities to provide incentives for them to transition out of militias and choose alternatives to violence.

Illustrative interventions USAID will use are:

- Engaging target populations, including youth, women, returnees, and other vulnerable groups, in productive economic activities such as vocational training, block-making, and construction skills.
- Hiring at-risk groups for construction projects, to build structures for their use, such as youth centers or sports facilities.
- Bringing together rival ethnic groups for sport or cultural activities, or as members of community-based conflict mitigation and reconciliation committees.

Illustrative indicators are:

- Percentage of at-risk youth trained by USAID in targeted areas that have stable incomes (results expected on an ongoing basis; achieved as activities implemented in flashpoint areas and activities integrated with DO4).
- Number of infrastructure projects that productively engage youth in targeted geographic areas.
- Number of at-risk youth, including returnees, employed in short-term economic activities in targeted geographic areas.
- Number of at-risk youth, including returnees, employed by new businesses in targeted geographic areas.
- Number of sports and cultural events in targeted geographic areas.

To effectively engage at-risk populations in productive activities, USAID will continue to coordinate with state and local authorities, namely the Ministry of Youth, Sports and Recreation, State Directors for Peace (Ministry of Peace and CPA Implementation), and the Bureau for Community Security and Small Arms Control. Direct support will be provided to youth and women's associations at the local level where they exist and county commissioners, where these associations do not exist. USAID support to youth and women will focus on skills training and income-generation activities, which are specifically geared toward reducing idleness, offering productive alternatives to hostage taking and livestock raiding, and providing opportunities for youth and women to contribute toward peace and the development of South Sudan. Where youth and women are not organized into associations, USAID will work with county commissioners to identify and provide support to at-risk populations.

***Intermediate Result 1.3: Government presence and services extended at the local level***
Limited infrastructure—including lack of government offices and equipment, poor transportation networks that inhibit year-round access, and limited human capacity—hinders the state's ability to provide basic services and govern effectively. State legitimacy is low due to its inability to address the population's grievances, including a lack of economic development, provision of basic public services, and justice and security. USAID will continue implementing programs to extend state authority to remote, conflict-prone areas.

Illustrative interventions USAID will use are:

- Building and equipping government offices at county and payam level in targeted geographic areas.
- Providing technical support to the state to improve basic service delivery and support the implementation of long-term development programs, including, for example, through building and equipping schools and health clinics in targeted geographic areas.
- Rehabilitation and upgrading of basic infrastructure, including roads, airstrips, and water points in targeted geographic areas.

Illustrative indicators include:

- Year-round access for targeted communities to government, markets, and other communities (results expected on an ongoing basis; achieved as activities implemented in flashpoint areas).
- Perception of people in conflict-prone areas who see a measurable improvement in government responsiveness to their needs (results expected on an ongoing basis; achieved as activities implemented in flashpoint areas and activities integrated with DO3).

To enhance the presence of the government and its ability to extend services at the local level, USAID will continue to coordinate with state and local authorities and the Ministry of Local Government. Direct support will be provided to county commissioners and traditional authorities to enable them to have more presence at the local level through the establishment of offices and improvement in access to/between counties, payams, and bomas. USAID's support will allow county commissioners to communicate with and visit their constituents as well as to deliver basic services, whereas traditional authorities will be better equipped to preside over traditional courts and grassroots peace-building initiatives to provide justice.

### *6.3 Linkages to Other Development Objectives*

This development objective links to the other three development objectives in the following ways:

- DO2: Governance and community security programming builds a foundation for conflict management that links into state security sector reform efforts as well as extending state presence and laying the foundation for future capacity building and decentralization efforts.

USAID/Sudan's team that focuses on transition and conflict mitigation programs works in remote and volatile areas where there is often limited local government presence and attempts to build momentum for stability by providing the basic hardware necessary for the local government to function. Once this foundation of local government infrastructure has been laid and immediate levels of conflict have been reduced, longer term support is required to maintain stability and prepare the grounds for development. Partners implementing programs under DO2 will be able to build upon the efforts of this DO by providing training to build the capacity of local authorities to provide for their communities.

- DO3: Help establish a foundation for increasingly educated and healthy populations through supporting local authorities and civil society organizations (CSOs) in their nascent efforts to extend basic services in conflict-prone areas.
- DO4: Livelihoods through youth training and reintegration activities focused on building life skills and vocational training will help to reduce conflict to create an environment conducive to longer-term development, including through engaging youth and women in skills training and income-generating activities. With further training, women and youth can build upon the initial support received through USAID to harness these skills and the income earned into longer term economic opportunities to provide for their families as well as contribute to stability in their communities. In addition, one of USAID's objectives is to improve access to isolated, conflict prone areas, through the rehabilitation of airstrips, which will enable international organizations to provide much needed basic services. However, roads connecting people to markets will have a longer term impact in promoting peaceful and productive interactions among conflicting communities. The construction of roads by USAID or other partners will complement USAID's activities in improving transportation and economic opportunities for populations in isolated places.

### *6.4 Timing and Targeting Considerations*

This program builds on USAID's community security, conflict reduction and stabilization program which began in late October 2009 in response to increased internal violence that jeopardized the implementation of the CPA.

In this strategy, USAID's flexible rapid response model to mitigate conflict, now centered in Jonglei, Upper Nile, Warrap, Northern Bahr el Ghazal, Lakes and Unity, will adapt to emerging threats to stability. Over the course of the next 6-12 months, USAID plans to expand its activities in the border areas to include cross-border programming and expand the program to the northern Upper Nile, an area that has been identified as critical to the stability of South Sudan. This, in conjunction with USAID's conflict mitigation programming for northern Sudan, will allow USAID to cover all 10 states along the north-south border (see map below). Both strategies recognize the high risk for conflict along the north-south border and the need for programmatic interventions that focus on building local capacities to mitigate insecurity. USAID will closely coordinate its work in both regions so as to have maximum impact. Illustrative cross-border activities include:

- Logistical and technical support to the Ten State Border Governors' Forum, a regular meeting of governors to develop common security, economic and development initiatives, and other cross-border gatherings organized to identify and address shared priorities.

- Construction of water points along migration routes in order to provide for nomads and their livestock from having to come into conflict with rival groups.

The program will also work toward consolidating the gains made at the county level, by increasing its emphasis on implementing programs at the payam level, further extending the presence of local government. Under this framework, USAID will expand and deepen its engagement in those areas that constitute the most urgent threat to the viability and stability of South Sudan; where effective local change agents exist; and where the likelihood for early successes is high and will generate additional momentum for peace and stability.

This DO1 will coordinate closely with other USAID offices and DOs on reintegration of returnees in South Sudan by strengthening the absorptive capacity of local communities to respond to the current returns by providing as well as creating economic opportunities that will allow returnees and residents to work together on common projects with shared goals and benefits. Initial relief support for returnees will quickly transition to support for early recovery activities. For example, with the support of USAID/FFP, the World Food Program (WFP) is working with the South Sudan Relief and Rehabilitation Commission (SSRRC) to verify returns and provide returnees with up to three months of food assistance. The WFP continues to provide food aid to those in need and will work to facilitate the transition, where possible, to asset-creating food assistance activities to assist communities of high return in absorbing and reintegrating returnees. As the skills of these returnees become more evident, USAID will adapt its support to appropriately utilize these skills to enable returnees to contribute toward the development of their new communities.

In addition to current returnees and those since the signing of the CPA in 2005, the SSRRC expects an additional 500,000 returnees ahead of formal independence for the South in July. In addition, while the focus thus far has been on the return of southerners from the north, there is also likely to be an influx of returnees from neighboring countries such as Uganda, Ethiopia, and Kenya as well as a migration of people from the state capitals in South Sudan to their home areas in more rural settings. This process has the potential to spark conflict in two ways: first, the movement of southerners along and across the tense North-South border can result in opportunities for peace spoilers to create instability that can escalate rapidly and second, additional returnees will again challenge the absorptive capacity of communities. Local governments are already struggling to deliver services and security to existing populations. The influx of a returnee population that is likely to have both high needs and high expectations will increase pressure on local government, create more competition for scarce resources and exacerbate local conflict dynamics.

USAID will assist with the movement of returnees by providing communications equipment to make sure that the flow of returnees is coordinated among key local cross-border peace actors to ensure that movement is peaceful and reduce the space for peace spoilers to reduce misinformation. In line with current efforts, USAID will increase efforts in the local communities to enhance their absorptive capacity for the reintegration of returnees.

In the first 12 to 24 months of the Transition Strategy, USAID stabilization efforts will continue in those regions named above. The character of the intervention is likely to evolve over time as

the security environment improves, returns slow, and the infrastructure for long-term development programming, including offices, communications, and roads, are established in these areas.

### *6.5 Other Means to Be Used by the USG to Help Achieve the Objective*

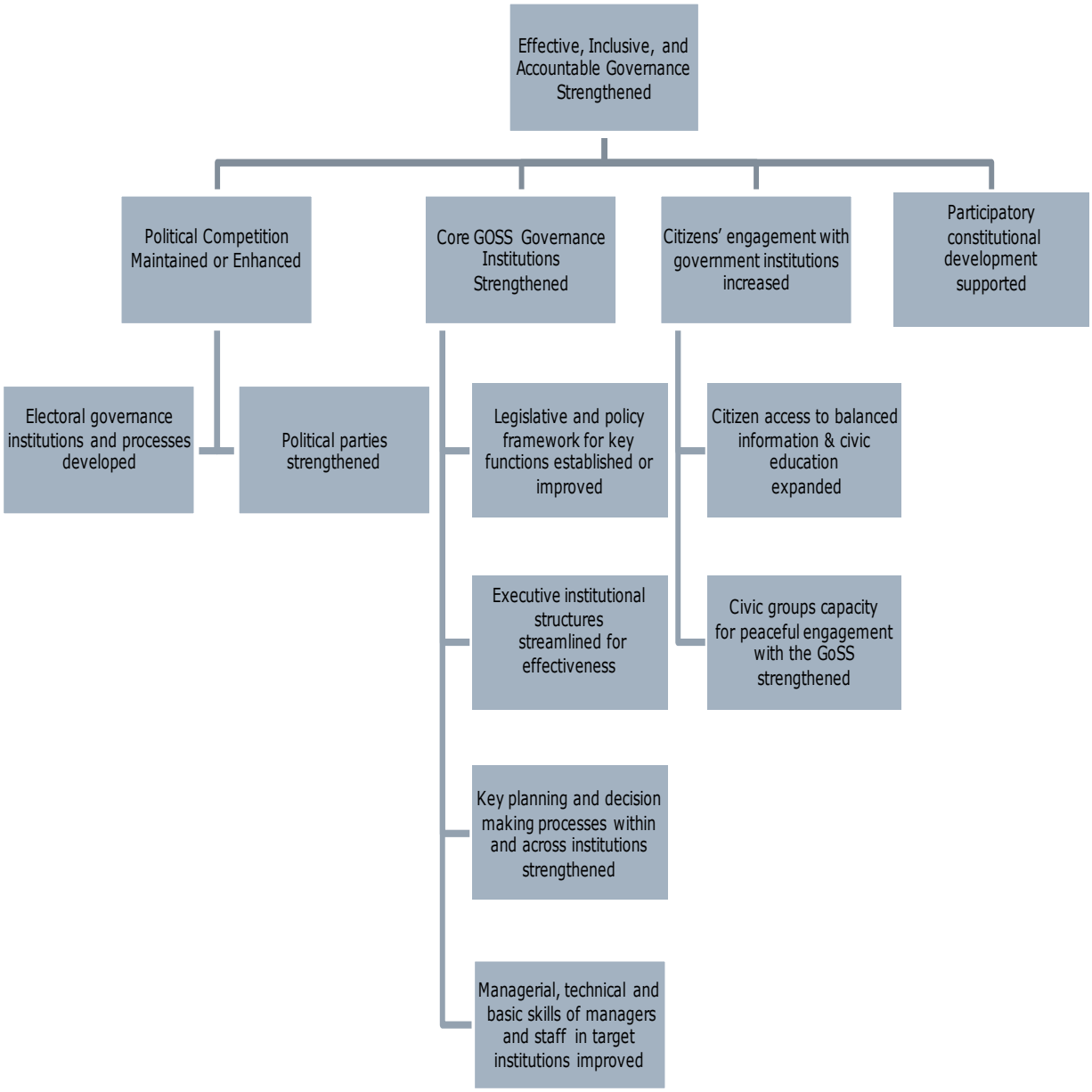
INL and CMSI projects mentioned above will be vital to the success of this DO, and S/CRS's Stabilization Team reporting analysis may also inform activities under this DO. The Stabilization Teams currently spend the majority of their time in state capitals, building relationships with officials and providing reporting and analysis on local conflict and political dynamics that may support ongoing analysis of conflict dynamics throughout the south as a whole and will assist in monitoring trend lines and working with USAID technical staff to develop recommendations to decision-makers on how to address emerging tensions. DOD military assistance, yet to be determined, may also support this DO, inasmuch as assistance enhances capacity and professionalism of GOSS security institutions and strengthens discipline of units to avoid involvement in local conflicts.

### *6.6 Consistency with GOSS Priorities and Role of Other Donors*

USAID's Sudanese counterparts for this development objective are the Ministry of Peace and CPA Implementation, governors and other state-level officials; county commissioners and other local officials, and traditional authorities. The stabilization strategies are developed locally, in conjunction with the above-mentioned partners and local-hire program officers.

USAID's stabilization activities are coordinated through a variety of mechanisms, including intra-USG coordination with the United States Special Envoy to Sudan's Office, S/CRS, the Embassy in Khartoum and the Consulate in Juba, and through a technical level working group composed of donors and other implementing agencies in Juba, as well as at a more senior level, through a steering committee.

# 7 Development Objective 2: Effective, Inclusive, and Accountable Governance Strengthened




## *7.1 Development Hypotheses Underlying This Framework*

In the aftermath of the CPA interim period, the GOSS will need to demonstrate that it can govern effectively by including the political opposition and civil society in the governance process and by becoming increasingly accountable to the citizens of South Sudan. Social, political and economic stability will depend on GOSS core institutions performing their functions sufficiently well to manage public resources effectively and distribute them equitably. Transparent governance will be critical to mitigate conflict fueled by patronage systems that favor particular ethnic or socio-economic groups. Development Objective 2 therefore directs U.S. assistance to

address the fundamental challenges of improved economic and democratic governance in the post-CPA-interim period, at both national and sub-national levels. This development objective will address governance issues in all sectors, including economic governance as well as democratic governance. This DO is specifically designed to consolidate progress made during the CPA interim period that focused on peace-building while further developing the institutions and processes necessary for a stable, functioning state.

### *7.2 Key Challenges and Means to Meet Them*

When the CPA between the Government of Sudan and the SPLA/M was signed in January 2005, the autonomous regional GOSS was created to manage and carry-out governmental responsibilities in the south and begin to rebuild the region. Decades of war, famine, drought, flood and exclusion from the social benefits enjoyed by other members of Sudan's population devastated southern Sudan's economic, political, and social structures. Tribal and ethnic tensions, geographic isolation, and a lack of infrastructure combined to create a complex crises environment.

Though progress toward creating a well-functioning GOSS has been remarkable by any standard, the governance institutions and systems established in keeping with the requirements of the CPA remain extremely fragile and vulnerable to corruption or manipulation to advance personal or political agendas. While southern Sudanese eagerly accepted the January 2011 self-determination referendum results, public opinion research indicates that southern Sudanese have unrealistically high expectations about the social and economic benefits that independence will bring and how quickly. During the critical post-referendum phase of South Sudan's transition from a fragile peace process to establishing a new state, social stability will depend largely upon tangible evidence that the GOSS is able and willing to meet the most critical public expectations, including demands for inclusivity as key processes move forward, as articulated through public fora, opinion polls, and political representatives. The highest priorities among these expectations include access to basic services, security, accountable governance, and economic opportunity. The greatest development challenge following the referendum will therefore be to help the GOSS respond to public need and demand effectively while engaging citizens in the governance process. Moreover, both social and government stability will hinge upon GOSS performance during this critical period.

In the post-referendum era, USAID will therefore target the specific institutions, processes, and actors that have proven to play a critical role in advancing stability and building governance capacity during the CPA period, while supporting the creation of a transitional and then a permanent constitution and improving citizen participation and oversight.

To demonstrate what will be accomplished in the next 18 to 24 months, the following illustrative indicators can be used for this Development Objective:

- Targeted laws and policies, including a new (permanent) constitution drafted, adopted (promulgated) and implemented. Illustrative laws and policies include an improved or new electoral law, political parties law, labor law, media law, tax law depending on the legislative agenda.

- Public opinion of GOSS performance based on nationwide polling and focus-group data. Transparency International and Freedom House scores (baseline set based on ratings at the beginning of the Transition Strategy period, and progress assessed based on changes in scores throughout the two-year period).
- Profile (and score) from the Institutional Development Framework Tool (baseline set based on ratings at the beginning of the Transition Strategy period, and progress assessed based on changes in scores throughout the Transition Strategy period).

USAID/Sudan will develop a more detailed performance management plan (PMP) including output, outcome and impact indicators in consultations with key stakeholders following strategy approval.

***Intermediate Result 2.1: Political Competition Maintained or Enhanced***
South Sudan's governance institutions will continue to take form in the first few months and years immediately following the democratic vote for self-determination. The degree to which those institutions are responsive, effective, inclusive and accountable will depend significantly on democratic electoral processes that allow citizens to hold the GOSS accountable for its performance. It is, therefore, important that electoral processes as well as political party structures are strengthened to build systems of representation and institutionalize regular elections at the national and local levels. USAID will therefore invest in the development of local and national election management bodies, as well as viable, representative political parties able to aggregate and articulate citizen's needs and interests and gain office without exploiting ethnic rivalries or resorting to violence.

To achieve this IR, USAID will focus on the following sub-IRs through the following means:

<u>IR 2.1.1 Electoral Governance Institutions and Processes Developed:</u> This will occur through support for the development and implementation of a new electoral law and/or changes to current laws and regulations already drafted, in addition to ensuring that electoral administration is credible and transparent.

<u>IR 2.1.2 Political Parties Strengthened:</u> In order to transition newly independent South Sudan into a stable and democratically viable polity, early investments must be made to develop the nascent country's institutions and processes of democratic governance. Key to the development of democratic governance that allows for both political competition and responsive governance is the presence of multiple viable political parties that contest elections and serve as meaningful opposition to the government. However, the political landscape is currently dominated by the SPLM, while other political parties are weak and underdeveloped. During the transitional period under this strategy, USAID will work with political parties individually and collectively, as well promote an enabling environment for a multi-party system of government that is conducive to political participation and consensus building. In contrast to previous political party assistance activities, which have addressed the transitional priorities in the CPA context, the proposed program will be more streamlined, focused, and linked to mutually reinforcing activities under this strategy. The priority will be to strengthen the institutional foundation of political pluralism and democratic competition in South Sudan.

USAID will support the continued development of legitimate and internally democratic political parties with functional administrative structures and systems that advance stability in the long term. Particular focus in the near-term will be on increased political party capacity to identify, represent and expand a defined constituency in the electorate, and to foster peaceful intra-party dialogue and consensus-building around core issues facing South Sudan.

Illustrative activities include:

- Technical assistance to develop or revise and then vet the electoral law and/or related elements of the new (permanent) constitution with appropriate stakeholders from inside and outside the government. Supporting the establishment and developing the capacity of an independent electoral management body;
- Technical assistance to political parties to improve their ability to identify, represent and expand their defined constituency and foster peaceful dialogue and consensus-building processes;
- Technical assistance to political parties to become institutions of democratic governance.

Illustrative indicators include:

- New or revised electoral law approved (by January 9, 2012);
- Permanent independent electoral management body established (by March 2012);
- Number of political parties receiving USG assistance that adopt internal democratic structures and implement democratic practices;
- Number of political parties participating in peaceful consensus-building processes.

This first IR will support and be supported by IRs 2.2 and 2.4, which support constitutional development and legal frameworks that will provide the basis for democratic electoral administration and broader political processes during the transition strategy period and beyond. During the immediate post-referendum period this IR will focus on assisting parties to compete and resolve political conflict non-violently, to engage citizens directly in the political process, and to develop and begin to implement internal democratic structures.

***Intermediate Result 2.2: Core GOSS Governance Institutions Strengthened***

USAID will continue to work with the GOSS to strengthen central institutions and systems in order to meet citizen needs and extend public services and governance systems to state and county level governments, in support of the GOSS' decentralization agenda. USAID has supported key GOSS governance institutions since 2005 when many GOSS ministries and commissions were established, and has a positive relationship with these key ministries for continued strengthening in the post-referendum period.

To this end, USAID will continue to assist the GOSS to improve management capacity in GOSS-identified priority areas–namely Executive Leadership, Legal Framework and the Rule of Law, and Public Service Capacity Building. USAID will build on ongoing efforts to build effective, key executive institutions with the capacity to fulfill constitutionally mandated roles and responsibilities transparently. In addition, despite nascent progress in developing and gazetting

fundamental legal codes, a tremendous amount of work remains to establish the legal basis for GOSS institutions to function, and new legislation will be required, as well as the revision of some existing legislation, to bring the GOSS in line with a new constitution.

While these challenges exist, there is a strong foundation to build upon. Since 2004, even before the CPA, USAID has provided assistance in establishing core governance institutions. USAID has been, and still is, the lead donor in supporting the Ministry of Finance and Economic Planning, establishing budget functions and a nascent tax administration. USAID is also the lead donor for the Bank of South Sudan (which will become a central bank) assisting it with improved operations and banking supervision. Under this IR, USAID will continue to support key institutions of economic and democratic governance. Fundamentally, a stable macroeconomic and legal framework with sound public sector financial practices attracts investment and builds public confidence in its government. Investors are only comfortable working in countries that enjoy social stability, in which government institutions are competent, reliable and supportive of the private sector. Under this IR, USAID will therefore assist the GOSS in establishing appropriate policies, laws, and implementing institutions that provide a stable macroeconomic and political environment, encourage commerce, and reduce economic risks.

To achieve this IR, USAID will focus on the following sub IRs:

<u>IR 2.2.1 Legislative and policy framework for key functions established or improved:</u> USAID will support the Ministry of Legal Affairs and Constitutional Development and other key GOSS institutions to develop a system to facilitate and streamline an inclusive process for the creation, prioritization, and execution of policies and legislation necessary to enable critical GOSS institutions to function.

<u>IR 2.2.2 Executive institutional structures streamlined for effectiveness:</u> Building on its previous work in this area, USAID will support the GOSS to strategically reconfigure the organization and structures of the executive institutions as necessary and appropriate to align with constitutional provisions and improve efficiency, effectiveness, and transparency.

<u>IR 2.2.3 Key planning and decision-making processes within and across institutions strengthened:</u> This sub-IR will cut across both the economic and democratic governance institutions USAID will support to provide technical assistance for developing the mechanisms, structures, and practices required for sound public administration. As part of an innovative approach, experiences and resources devoted to the sub-IR will be shared with GOSS institutions receiving support from other donors to build capacity.

<u>IR 2.2.4 Managerial, technical and basic skills of managers and staff in target institutions improved</u>: Using modern, interactive, and effective capacity-building techniques USAID will build the human capacity of key managers and staff in core GOSS institutions to perform core functions.

Illustrative activities include:

- Strengthening and improving coordination between the core executive and legislative institutions responsible for developing legal frameworks that enable transparent and accountable economic and democratic governance;
- Developing the capacity of the Ministry of Finance and Economic Planning in the areas of budgeting, tax, fiscal decentralization, and procurement;
- Developing the capacity of the Bank of South Sudan in the areas of monetary policy, operations, research and statistics, and banking supervision;
- Developing the capacity of the Ministry of Finance and Economic Planning and the Ministry of Energy and Minerals to manage the petroleum sector;
- Improve and institutionalize the legal drafting skills and abilities of managers and staff within the Ministry of Legal Affairs and Constitutional Development;
- Strengthening the GOSS human resource capacity to improve public administration, including building a professional civil service.

Illustrative indicators include:

- Targeted laws, policies and regulations drafted, vetted, and adopted through legal/constitutional processes;
- Percentage of GOSS budget spending that adheres to appropriations laws;
- Increased registration of taxpayers; increased tax collections (year-on-year)
- Budgetary transfers to the 10 states are increasingly based on equitable formulas
- GOSS procurements are increasingly transparent;
- Ministry of Energy and Mines has increasing capacity to negotiate oil concessions;
- Ministry of Finance and Economic Planning has increasing capacity for managing oil revenue;
- Bank of South Sudan establishes and implements annual commercial bank supervision plan;
- Number of sub-national government entities receiving USG assistance to improve their performance.

***Intermediate Result 2.3: Citizens' Engagement with Government Institutions Increased***
While it is critical to prioritize the strengthening of government institutions in the post-CPA phase of South Sudan's political history, it is equally essential to support civic engagement. Good governance cannot exist unless citizens, particularly those from marginalized populations, have a voice in public-policy decisions and political processes. Unfortunately, given Sudan's history of exclusionary policies by elites, the dominance of central government, a lack of citizen and government experience with democratic practices, and a *de facto* one-party state created through a successful liberation movement, the likelihood of a small group of government officials making key decisions without citizen input is high. The likelihood of political violence and increasing efforts to exclude or repress the political opposition is equally high. Finally, the

volatility of the post-CPA period will increase as politicians move to consolidate power unless this political space is protected by both civic actors and members of the GOSS working together.

To mitigate such an outcome, USAID will strengthen the capacity of citizens, civil society, media and other nongovernmental actors to engage constructively with the GOSS to hold their government accountable at all levels and ensure it is responsive to the needs and interests of citizens. Specific points of peaceful, constructive engagement include public fora and committees at the local community level, media events and dialogue, interaction with representatives in the legislature, and the constitutional development process.

USAID will achieve this Intermediate Result through the following two sub-IRs:

IR 2.3.1 Citizen access to balanced information and civic education expanded: USAID will support engagement between civic actors and the GOSS through media and civic groups that have a broad reach to the population, assisting them in their technical needs as well as in designing relevant and important civic messages and facilitating opportunities for dialogue with public officials.

IR 2.3.2 Civic groups' capacity for peaceful engagement with the GOSS strengthened: USAID will target existing civic groups to help them develop skills to engage constructively with public officials to advance their interests.

Illustrative indicators include:

- An improved legal and regulatory environment that promotes civil society and media development as well as constructive civil society-government cooperation. (Measure: advocacy capacity index, citizen input reflected in target policies);
- Increased dialogue and partnerships between citizens, civil society, media and government on key democracy and governance issues (Measure: number of dialogue projects and partnerships created through the program; formal mechanisms created as a result of the program);
- Increased engagement of marginalized groups, including youth, women, and minority groups, in political processes at the community, state, and national level (Measure: number of women or youth-led groups engaged through political parties, advocacy organizations, and civic initiatives in communities targeted);
- Increased engagement between citizens and government officials based on the constitutional roles and responsibilities of citizens, civil society, media and government in the democratic process.

***Intermediate Result 2.4: Participatory Constitutional Development Supported***

South Sudan has a historic opportunity to develop both a transitional/interim constitution and a new permanent constitution in the post-referendum/post-CPA period that provides for fair representation among the various and historically divisive layers in society – religious, ethnic, regional, and political competition, among others. To advance stability and minimize conflict, South Sudan will need to pursue an inclusive consensus-building process and develop a structure

for constitutional drafting that is inclusive, participatory, and addresses South Sudan's particular needs. Given USAID's historic role in supporting the CPA and drafting the first interim constitution of South Sudan, USAID has been requested by the GOSS to play a significant role in supporting the process. The constitutional development process as well as its content will be a critical benchmark, establishing the architecture and formal framework for political processes and governance; it will determine the types of powers government should have and at what levels as well as role of southern Sudanese in political life.

USAID anticipates the achievement of this IR during the period covered by this Transitional Strategy. To date, however, GOSS has not declared a timeline or roadmap toward the development, vetting, and promulgation of a new Constitution of South Sudan. Therefore, it is possible that additional support for this IR or something similar may be required beyond the Transitional Strategy period.

Illustrative indicators include:

- Transitional/interim constitution developed by drafting committee and vetted in the new legislative assembly (by July 9, 2011);
- Transitional constitution reviewed and revised through an inclusive process and approved (by July 9, 2011);
- Number of distinct groups and persons participating in review and revision of the new permanent constitution;
- Degree of acceptance of public input by GOSS (Measure: opinion surveys/polls);
- Degree to which the transitional/interim and new permanent constitution of South Sudan reflect international standards for civic and human rights, political participation, and establish a sound legal basis for sound economic and democratic governance.

### *7.3 Critical Assumptions and Risks*

There are two key risks that could undermine USAID's ability to achieve results under this DO: 1) an unfavorable political environment, including political will by the GOSS; and 2) increased insecurity. Either could lead to an unfavorable development environment overall, and specifically in relation to DO2, this could manifest as individual or multiple government institutions unwilling to work with USAID and/or prevent USAID from working in specific areas of the south most affected by insecurity. In a worst-case scenario, this could significantly impede USAID's ability to do any activities under this DO. In a more realistic scenario, either risk could impact USAID programming in certain geographic areas and/or with certain government institutions. In the latter case, USAID could redirect programming to unaffected geographic areas and/or to other government institutions.

Furthermore, it is important to note that, in the event of a worst-case scenario, existing and previous USAID activities and accompanying relationships with government institutions and officials, political parties, civil society and media organizations, and other stakeholders could play a significant role in mitigating the negative effects of either an unfavorable political environment or increased insecurity. For example, USAID could redirect the focus of radio programs from civic education or other media development activities to ensure the dissemination

of key messages designed to reduce the potential for conflict and/or provide critical information to citizens. Alternatively, in the event that individual government officials are not supportive of USAID activities, other government officials may be in a position to mitigate any negative impacts on USAID programming.

Each and every Program Area and IR within DO2 is critical to the success of the DO, and are essential to address within the coming 24-30 months. Therefore, in the event of reduced resources, USAID prefers to preserve the comprehensive approach of this DO. Nevertheless, the following prioritization of IRs recognizes the relative importance of each toward the goal of this DO: 1) IR 2.2: Core GOSS Governance Institutions Strengthened; 2) IR 2.3: Citizen Engagement with Government Institutions Increased; 3) IR 2.4: Inclusive Constitutional Development Process Supported; and 4) IRI 2.1: Political Competition Maintained or Enhanced.

### *7.4 Timing and Targeting Considerations for This Development Objective*

#### *7.4.1 Transitioning from Current USG efforts*

USAID activities related to this DO have been ongoing since 2004. Though the strategic framework for these activities was to support the implementation of the CPA, a broader goal to support long-term development objectives was inherent in the activities. Therefore, current USAID activities have laid the foundation for efforts described under this DO.

#### *7.4.2 Focused Approach*

USAID programs are well-positioned to provide comprehensive assistance from technical advisors on comparative government models, to constitutional drafting, and, building on our civic participation in the CPA political milestones—census, elections, and referenda—we can strengthen existing networks like Sudanese Network for Democratic Elections (SuNDE) to become a constructive partner in the constitutional drafting process to represent citizen input. Political party participation will also be crucial. USAID is well-positioned to focus its political party work for engagement in this process.

USAID is cooperating with the international donor community to restructure the "assistance architecture" in order to implement a "sector lead" donor approach, particularly in the area of capacity building for GOSS and sub-national government institutions. This approach will lead to improved efficiency in the provision of assistance and, most importantly, will lessen the burden on GOSS leadership in coordinating assistance from multiple donors. USAID is the sector lead—and looked to as such by the GOSS and other donors—in key governance areas, including executive decision making, fiduciary management, legislative drafting, and human resource development. Therefore, USAID assistance will focus on the key GOSS institutions responsible for those functions. Core decentralization efforts from GOSS to the states will impact all 10 states; however, local governance capacity support will concentrate on conflict-prone areas, including southern states that border with the north and other conflict-prone states and local governments, which require stabilization through long-term development efforts. Assistance to build local governance capacity will be coordinated with DO1 in areas of joint geographic interest. Target groups will include government officials and citizen groups, particularly marginalized groups including women, returnees, ex-combatants, and youth.

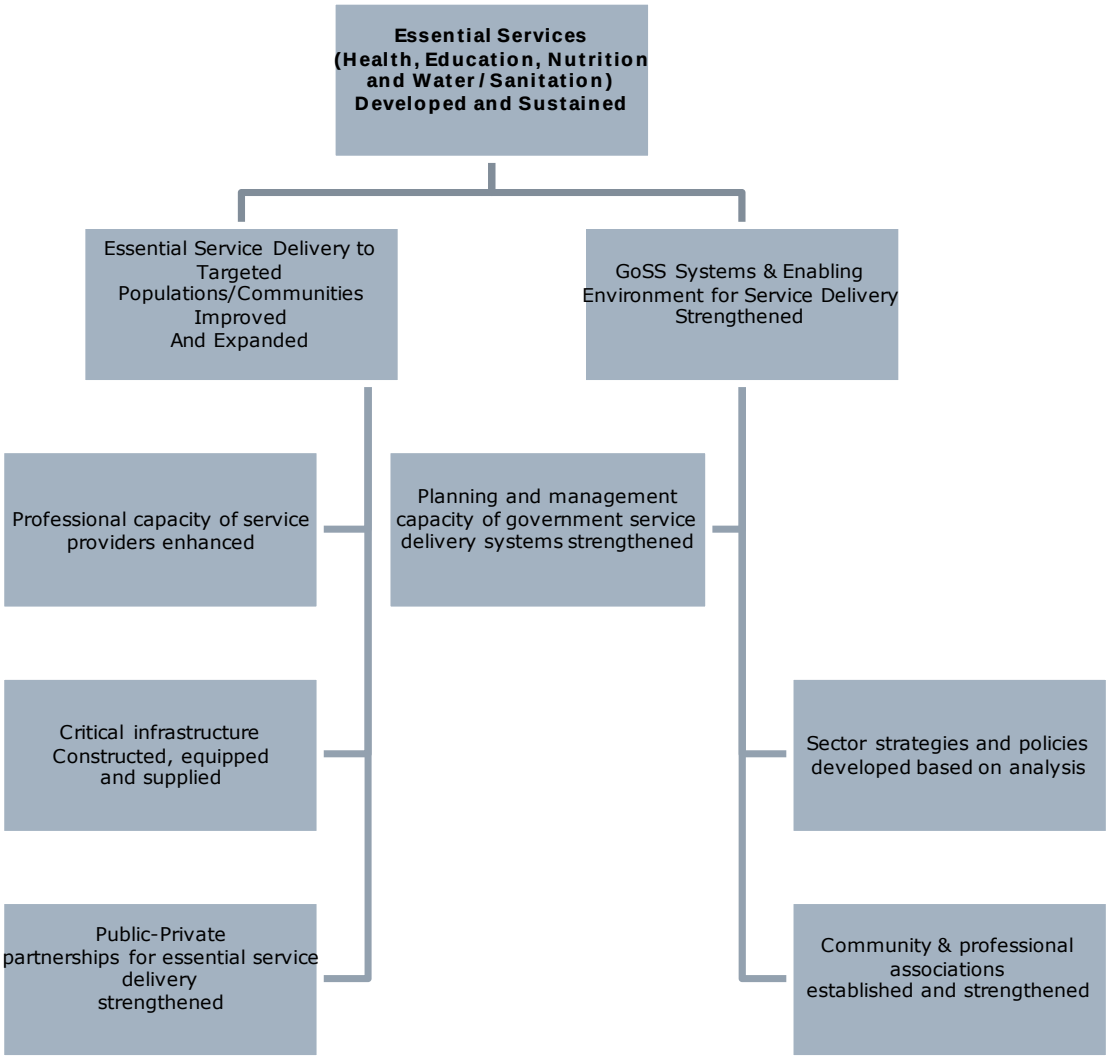
#### *7.4.3 Consistency with GOSS Priorities and Role of Other Donors*

USAID has engaged with GOSS extensively on its priorities. Multiple consultative assessments have been conducted over the past year. For example, USAID and other donors in a year-long process have defined and addressed functional capacity priorities for core governance functions for the short to medium term. In addition, the GOSS will identify priorities within its forthcoming National Development Plan, including the development of effective, accountable and legitimate governance institutions that address the needs of citizens. At present, while USAID serves as a lead donor in the arena of constitutional development, other donors continue to express interest in directing resources to support this process. Therefore, USAID will continue to monitor its role and the role of other donors as the process moves forward to prevent duplication of donor efforts and resources and ensure that critical gaps in support do not go unfilled.

#### *7.4.4 Short Term Versus Long Term*

DO2 would be extended into a future CDCS, with the expected exception of IR 2.4: Participatory Constitutional Development Supported. DO2 is designed to take the next step of a long-term process begun during the CPA interim period and is necessary to continue through the upcoming transition period and beyond as part of a successful assistance program for a new South Sudan. IR 2.4, however, covers a discrete task, the development and implementation first of a transitional constitution and second of a permanent new constitution through participatory processes. It is anticipated that each of these results will be achieved during the course of the 18 to 24 months of the Transition Strategy. While the remainder of the IRs have limited scope for the purposes of the Transition Strategy, these IRs are likely to lead into related IRs for continuing support following the transitional period.

# 8 Development Objective 3: Essential Services (Health, Education, Nutrition, and Water/Sanitation) Developed and Sustained[7]




## *8.1 Development Hypotheses*

Human development statistics rank South Sudan among the very lowest in the world for literacy, educational facilities, maternal and child health and nutrition, and access to safe water. The vast majority of the population of South Sudan lacks access to the essential services of education, health, nutrition, safe water, and sanitation because of ineffective service delivery systems, a weak enabling environment, and institutions lacking adequate governance, management,

[7] Sub-IRs are given in order of priority.

financial, and operational systems.[8] Stable political conditions become achievable when people feel that their governance institutions are responsive to their grievances and effectively address basic needs, such as education and health services. Similarly, an educated and healthy workforce is necessary to the development of sustainable livelihoods, and educated and healthy citizens form the foundation for stable and democratic governance. Focus group research has documented the enormous expectations of the southern Sudanese for greater access to education, clean water and health care in the event of independence. Therefore, building a stable and democratic state is contingent on the receipt of essential services by the public.

During the next two years, essential service provision in South Sudan should begin the transition from a predominantly relief/recovery to a development mode. The post-referendum period will witness an influx of returnees from northern Sudan and neighboring countries, and the essential service requirements of this population will need to be addressed on a priority basis. Returnee transit and reintegration sites will require safe water, sanitary latrines, essential drugs and bed nets, direct health service provision and referral, epidemiological surveillance, and access to basic education in the form of additional classrooms to absorb the rising number of returnee children. As DDR begins in earnest as planned, then ex-combatants and their families and communities will also require reintegration assistance. Specifically, literacy programs, English language training to the qualified teachers returning from the Arabic dominated northern region of Sudan to South Sudan and a fine tuning of the South Sudan curriculum and vocational and life skills training opportunities will be necessary. Since November 2010, approximately 230,000 people have returned to South Sudan. The South Sudan Relief and Rehabilitation Commission estimates that as many as 500,000 additional returnees are expected, requiring capital, human resources and logistical support and a possible reprogramming of essential services assistance and funding.

In addition to the return of displaced populations, which at a minimum is likely to stress local services and community resources, especially in areas of high returns, instability is expected to continue in specific flashpoint areas throughout South Sudan. South Sudan requires both a relief response and sustained development assistance to stabilize affected communities and meet the needs of the greater population. Other areas have reached an initial level of stability requiring continuous institutional strengthening and systems development to support and sustain essential service delivery.

USAID's assistance during this transitional period will focus on addressing critical relief and development requirements to assure continuity of in delivery of essential services. South Sudan should increasingly build its human and institutional capacity and expand public and private sector[9] financing to support improved delivery of essential services and to develop stronger management and governance systems and procedures that encourage sustainability. To that end, USAID will support the ongoing delivery of essential services (with development and humanitarian assistance), build human and institutional capacity, develop systems, and improve

[8] Essential services systems include administration, human resources, management information, finance, and logistics.
[9] The private sector includes nongovernmental organizations.

the enabling environment for effective and increasingly sustainable essential services that meet the needs and demands of all southern Sudanese.

Because of the risk of destabilization from not meeting the needs of returnees and other populations living in flashpoint areas, this relief response reflected in IR 3.1—Essential Services Delivered to Target Populations—will take priority over development activities during the critical transition phase. However, in many flashpoint areas for assistance, USAID's basic services activities will coordinate with ongoing humanitarian service delivery and conflict mitigation activities under DO1 to build synergies and enhance long-term sustainability of reintegration. Programs under this DO and OFDA will continue to coordinate with ongoing programming in health, water, sanitation and hygiene (WASH), and nutrition. As of this date, USAID development efforts and OFDA have avoided duplication of health facility support in States where both work. Additionally, capacity building and system strengthening support provided from DO3 assists OFDA in more effective implementation. USAID programming will also seek to utilize the skills and capitalize on the expectations of a population returning from an urbanized environment, i.e. for access to health care, education, water and sanitation. For instance, some returnees may have experience as nurses or teachers and others as masons. The critical objective is to capitalize on their skills and trades and to integrate returnees in the community fabric.

The following illustrative indicators will be used for this Development Objective:

*At the DO level:*

- Percentage increase of GOSS budget allocated to basic services (health, education, and water and sanitation, subject to confirmation);
- Percentage increase of certified teachers;
- Percentage increase of learners enrolled in USG-supported schools in target areas;
- Percentage of USG supported health facilities that provide at least 5 of 7 high impact health interventions;
- Contraceptive prevalence rate.

*Basic Services Delivered to Target Populations:*

- Percentage of children less than 12 months of age who received the third dose of DPT vaccine from USG-supported programs;
- Percentage of deliveries by a skilled birth attendant from USG-supported programs;
- Number of people in target areas with access to improved drinking water supply as a result of USG assistance;
- Number of people in target areas with access to improved sanitation as a result of USG assistance;
- Number of children enrolled in USG supported primary schools or equivalent non-school-based settings;

- Number of out-of-school youth and adults reached through alternative education programs;
- Number of textbooks and other teaching and learning materials provided with USG assistance;
- Number of classrooms repaired with USG assistance;
- Percentage increase of Teacher Training Institutes and County Education Centers constructed with USG assistance.

*GOSS Systems and Enabling Environment for Service Delivery Strengthened:*

- Number of health personnel trained with USG support;
- Percentage increase of education managers and officials trained;
- Percentage of USG supported health facilities that submit their information to the Health Ministry (HMIS) in the monthly reporting form within one month of the reporting month;
- Number of improvements to laws, policies, regulations or guidelines (health);
- Improved laws, policy, regulations or guidelines disseminated and implemented;
- Percentage increase of teachers trained with USG support;
- Number administrators and officials trained;
- Number of laws, policies, regulations, or guidelines developed or modified to improve equitable access to or the quality of education services.

At the DO level, benchmarks for each sector are determined by the GOSS and monitored in annual budgetary reports. In 2010 the percentage of the GOSS budget allocated to health totaled 4.2percent, education was 6 percent and the water and sanitation (WASH) percentage will be determined and tracked. The Ministers of Health and Education have both expressed a goal of allocating more resources to health and education post- referendum. Through targeted technical assistance and development diplomacy it will be a priority of DO3 to assist the GOSS in achieving this goal.

At the service delivery level, illustrative benchmarks for select health indicators have been determined based on current program measurement efforts. The targets below may be modified based on revisions to budgets, program plans, and 2011 and 2012 achievements. Specific estimated achievements include:

- 50 percent coverage in DPT3 for children under 12 months of age in USG supported areas (2010 baseline: 29.2 percent);
- 20 percent of women delivering with a skilled birth attendant in USG supported areas (2010 baseline: 7 percent);
- 40 percent of women attending at least four antenatal visits during pregnancy in USG supported areas (2010 baseline: 18 percent).

For education, benchmarks for indicators of the largely new education programs will be based on the latest GOSS Education Management and Information System (EMIS) data and subsequent agreement with the implementing partners on what is achievable within the timeframe of the Transition Strategy.

### *8.2 Key Challenges and Means to Meet Them*

***Intermediate Result 3.1: Essential Service Delivery to Targeted Populations/Communities Improved and Expanded***

The USG could unintentionally contribute to further destabilization of an already fragile environment if it fails to recognize that the impoverished South Sudanese people still require external development assistance for direct provision of essential health, education, nutrition, and water and sanitation services. At the same time, South Sudan's public sector will need to increasingly shoulder the responsibility of furnishing these products and services. The infrastructure challenges are many as is the need for more qualified and staff. Other challenges relevant to this IR are:

- Inadequate supplies of drugs, medical equipment, textbooks, and teaching and learning materials;
- Inadequate dissemination of protocols and job aids for teachers and health providers;
- Unsatisfactory provision of registers and training in record keeping and data management and analysis for education and health;
- Insufficient sustainable safe water supply and sanitation in communities and schools;
- Lack of adequate, dependable funding support for providers of essential services and for basic maintenance of infrastructure and provision of supplies.

<u>IR 3.1.1 Professional capacity of service providers enhanced</u>: With continued service delivery support in maternal newborn and child health, immunizations and drug treatments, antenatal and postnatal care, safe deliveries, family planning, and safe water, USAID will provide in- and pre-service training to midwives and will train community health workers on health interventions that reduce morbidities and mortalities, particularly among women and children. Particular attention will be paid to build the institutional foundation for improving family planning and reproductive health, which is under-resourced by the government and development partners. USAID will also support pre-and in-service training programs for teachers, school administrators, and education inspectors, with special attention given to insuring gender parity and equality of access for girls and women, and sensitivity to needs of out-of-school youth, mobile and other vulnerable populations.

<u>IR 3.1.2 Critical infrastructure constructed, equipped, and supplied:</u> During the transition period, USAID-supported primary health care centers and units will be inventoried and, if funds are available, USAID will construct and/or renovate/refurbish selected health facilities and pharmaceutical stores. Construction and renovation of municipal environmentally sound water treatment plants and pipelines and training of water managers and operators and borehole construction and point-of-use water treatment will also take place during the transition period. Education resources will be used to complete existing teacher training facilities to make them

fully functional, as well as provide the necessary teaching materials to make them effective centers of learning. Support to alternative education technologies (e.g., radio instruction, innovative methods for reaching mobile populations) will also be continued.

IR 3.1.3 Public-Private partnerships for essential service delivery strengthened: Nongovernmental organizations provide up to four-fifths of all health services in South Sudan, a situation that will continue during the transition period. In addition to direct service provision, NGOs also strengthen the monitoring and supervision skills of county health departments and establish and monitor the performance of village health committees and community water management committees. The DO3 team will work closely with DO1 and DO2 teams to plan direct service provision in flashpoint areas and ensure coordinated assistance to targeted communities in collaboration with relevant state and local officials. USAID will work closely with government bodies to operationalize approved health policies and technical guidelines into standard operating procedures and action plans. It will encourage the harmonization of quality standards and protocols for health service provision by NGOs, focusing on standardized training, monitoring and evaluation, and reporting and data gathering procedures aligned with the South Sudanese health sector's priority indicators and metrics.

USAID will introduce the social marketing of family planning and community health and hygiene products during the transition period. In education, USAID will involve public-private partnerships in building support for education as well as designing alternatives to traditional learning modalities.

Illustrative indicators for IR 3.1.1 include:

- Number of persons with access to essential service delivery (health and education) in targeted populations and communities;
- Assessed capacity of service providers and facilities;
- Increased number of trained and certified professionals in health and education;
- Number of structures renovated and adequately equipped/supplied.

Baselines and targets against specific PMP indicators will be established or updated as needed at the partner level, and aggregated at the mission level, as 2011 work plans and budgets are finalized.

***Intermediate Result 3.2: GOSS Systems and Enabling Environment for Service Delivery Strengthened***

The strengthening of GOSS systems and enabling environment for service delivery will require implementation of sector policies and strategies based on evidence and analysis. This will also require strengthened planning, management, and oversight of capacities of relevant GOSS officials at state and county levels (possibly through a contracting out approach with lead agencies), including the establishment and strengthening of community and professional associations. A USAID focus on these three important strategic interventions will help ensure that the GOSS and its stakeholders have the capacity to scale up and sustain essential services in the country.

The five basic building blocks for effective, efficient, and sustainable delivery systems have not yet been institutionalized in South Sudan at any level: neither central, state, county, nor community. These building blocks include: (1) administration and stewardship; (2) human resources; (3) financial resources; (4) education or health management information systems; and (5) an effective supply chain. Specific challenges include:

- Unsatisfactory implementation of policies, strategies, guidelines, and regulations;
- Lack of a good system to establish professional standards, credentials, and licensing practices for staff;
- Inadequate government budget allocations to essential services;
- Lack of a standardized payroll system and irregular disbursement of funding from ministries of finance to line ministries at state levels and from state levels to counties;
- Failure to collect, analyze, and use data for decision-making;
- Inadequate procurement, distribution, storage, and management of supplies;
- Failure to develop satisfactory deployment mechanisms for staff and to monitor and enable their performance.

<u>IR 3.2.1 Planning and Management Capacity of Government Service Delivery Systems Strengthened:</u> System strengthening interventions include providing sustained management and technical assistance to build basic systems and train professional staff on priority areas, support capacity-building study tours and fellowships, scholarships, or bursaries for advanced degree programs. USG technical assistance will work with the government to establish comprehensive disease surveillance and epidemiological data quality assurance systems; create functional pharmaceutical procurement and health commodities logistics management systems; and explore options for the sustainable financing of pharmaceuticals. USAID will support the Ministry of Water Resources and Irrigation (MWRI) in reforming the South Sudan Urban Water Corporation and building the capacity to have more efficient systems to provide greater access to clean water. Through USAID cross-sectoral activities, water point mapping, strengthening water committees and borehole construction will contribute to returnee needs. The social marketing and distribution of point-of-use (POU) water treatment products at urban and rural areas will be continued. DO3 efforts will coordinate with OFDA in the prepositioning of POU water treatment, oral rehydration solution, anti-malaria drugs, bed nets and antibiotics. Technical and advisory support to the MOE improving the collection and analysis of basic educational testing and planning information is critical to strengthening educational planning at central and state levels for better service delivery.

<u>IR 3.2.2 Sector Strategies and Policies Developed Based on Analysis</u>: Technical assistance and advisory support will be provided to support government institutional capacities to establish effective policies and systems based on quality data and analysis. In addition, USAID will press for passage of key health and education sector legislation.

IR 3.2.3 Community and Professional Associations Established and Strengthened: USG resources will be used to bolster both civic and professional bodies to broaden their managerial and implementation skills to plan, organize, and finance service delivery and advocate effectively for rational, sound, and coherent policies and budgetary support supporting effective service delivery. Examples include parent-teacher associations, teacher professional associations, health and pharmaceutical associations, village health committees, and water user groups.

Illustrative indicators for IR 3.2 include:

- Number of trained management and professional staff;
- Number of professional credentialing bodies;
- Number of staff members who earn professional credentials or are licensed in their field;
- Number of policies, strategies, guidelines, and regulations enacted, implemented, and enforced.

Baselines and targets against specific PMP indicators will be established at the partner level, and aggregated at the mission level, as 2011 work plans and budgets are finalized.

## *8.3 Timing and Targeting Considerations for DO3*

### *8.3.1 Transitioning from Current USG Efforts*

Over time, activities in both the health and education sectors will transition more fully from a relief mode to a development mode assuming stability, political commitment, and enhanced capacity and institutional development and support. Direct support for health and educational service delivery will also be reduced as a transition is made toward GOSS and South Sudanese public-private sector partnerships increasingly shouldering direct delivery of the essential health, educational, nutrition, and water and sanitation services. For all sectors, the focus will shift to technical assistance and training with a view to human capacity building and systems strengthening at all levels. Support will be provided for the establishment of government regulatory authorities, subsidized provision of services and products (such as social marketing), and, where appropriate, public/private collaboration.

### *8.3.2 Geographic and Target Beneficiary Focus*

Preliminary thinking in the Ministry of Health (MOH) is that each donor will support a lead agency, such as an international NGO, to manage and implement comprehensive health activities in selected states. If the Ministry of Health, USAID, and other development assistance partners embrace this approach, it would likely support lead agencies in one to three states depending on funding levels. USAID will advocate with MOH and development assistance partners that essential service technical assistance and direct service delivery support are provided across all states in South Sudan.

USAID will take a lead functional role in pharmaceutical and supply chain management, where there is a significant need in technical assistance and capacity building for the entire national supply. USAID will scale up its support to health interventions that have greatest impact to reduce morbidity and mortality among the most vulnerable populations (neonates, under-five

children, mothers, and most-at-risk populations for HIV/AIDS), maintain its commitment to health system strengthening by appropriately placing technical assistance and turn significant attention to addressing gaps in family planning and reproductive health.

During the transition period, USAID will continue to assist the urban water sector, but will start to examine a shift in priorities from construction to maintenance and operation. Increased support will be provided to strengthen the MWRI and urban-level water corporations (Juba, Wau and Malakal) and possibly to seven urban market towns to work on utility reform, administration, and capacity building. Support will also be provided to integrate water, sanitation, and hygiene activities with health activities at facility and community levels. Examples include borehole construction and maintenance, POU water treatment, and community-led sanitation and hygiene interventions. This will dovetail with ongoing USAID humanitarian programming, which prioritizes comprehensive community-level WASH interventions that support water provision, particularly borehole rehabilitation, as well as sanitation and hygiene programming, including community-led total sanitation where appropriate. Assistance will also dovetail with DO1 conflict mitigation and stabilization assistance and DO2 local governance assistance in flashpoint communities within USAID lead states.

All of the current education programs are scheduled to be completed during the transition period (i.e., support to gender equity through education, interactive radio instruction, capacity building for education ministries, and integrated health and education efforts). While some of these activities will be phased out or scaled back, their most successful aspects will be continued under existing or new mechanisms. These could include, for example: literacy and English language training via radio, establishment of community-based education resource centers, mentoring for girls, support to parent teacher associations, piloting of alternative education models for mobile and vulnerable populations, and capacity building at GOSS and state levels. In addition, USAID will launch a flagship program focused on building professional support systems for primary teachers. This program has been designed to meet the MOE's top priority, which is aimed at increasing the number of trained and qualified teachers. Having helped to build systems and train teachers in the past, USAID is well placed to provide support in this crucial area.

Food for Peace resources will be combined with Mission resources to improve the health and nutrition of vulnerable women and children under five in selected areas of Northern Bahr el Ghazal, Warrap and Upper Nile states. This assistance will be closely coordinated with DO1 conflict stabilization assistance in flashpoint communities to ensure assistance that reduces conflict vulnerabilities from initial stabilization efforts through to longer-term development. A three-year program initiated in 2010 seeks to increase the knowledge and skills of GOSS local health staff, community health workers and individual women to prevent malnutrition among young children. The program aims to prevent malnutrition by expanding the practice of appropriate health and hygiene behaviors, improving the diets of young children and women of reproductive age, and empowering women to take a greater role in decision-making at the household level. At the same time, the program will increase the capacity of GOSS health services and community groups to recognize and rehabilitate malnourished children.

The transition period will witness a move to develop cross-cutting synergies between health, education, water and sanitation, and nutrition. USAID will support school-led safe water and sanitation initiatives, develop lesson modules that address health, water and sanitation, and nutrition instruction, and encourage school-based deworming programs. In addition, USAID will assist counties in undertaking consolidated essential services development activities and budget planning with strong coordination between USAID local governance activities under DO2 and activities under DO3. At national and state levels, it will promote the establishment of a multi-sectoral coordination body between the health, education, water/sanitation, and nutrition sectors.

### *8.4 Other USG Means to Help Achieve the Objective*

To support this DO, the following will be needed:

- Advocating by the US Special Envoy for partnerships and twinning relationships between US and South Sudanese institutions;
- Improving inter-sectoral relationships among USG agencies to support common objectives. For example, USAID will strive for harmonized efforts to increase literacy and build civic responsibility among all USG partner agencies; USAID will also strive for continued strong USAID participation on PEPFAR with the CDC and the DOD, focusing on assisting the GOSS in developing national strategic policies, plans, and guidance, collaborating with other stakeholders to provide quality HIV prevention, treatment, care, and support services.

### *8.5 Consistency with GOSS Priorities and Role of Other Donors*

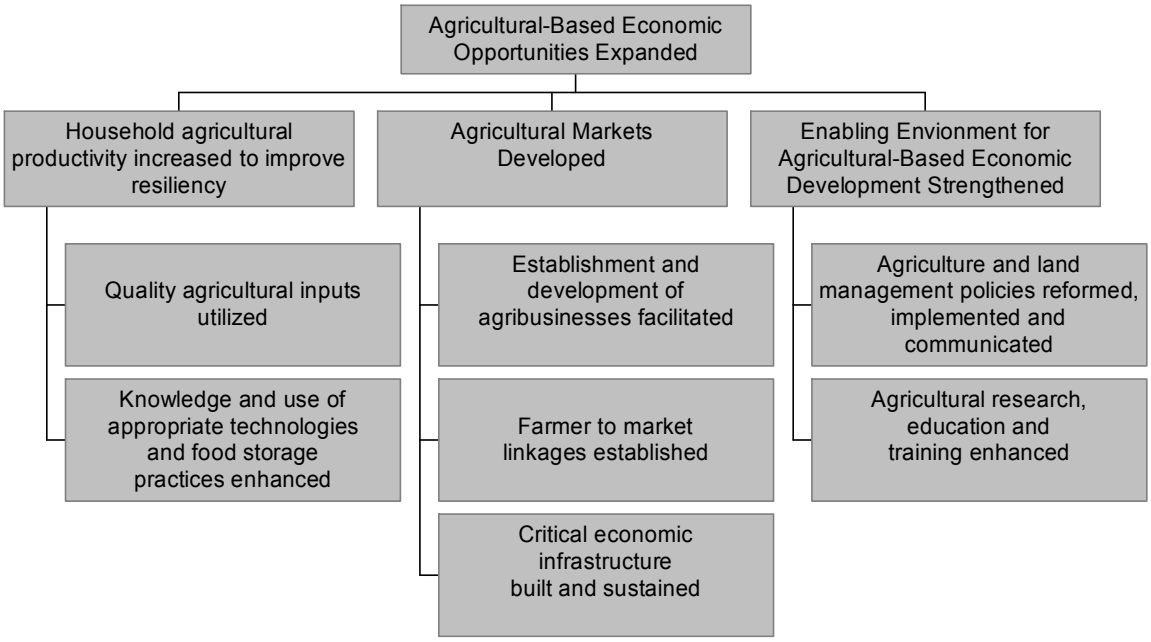
The MOE and the MOH are leading the development of five-year strategies in their sectors with broad stakeholder support, and emerging USG activities and data collection and monitoring and evaluation regimens will conform to these strategies. In addition, USAID has supported the development of policies and guidelines in specific areas and will continue to do so in the future. USAID will work closely with the MOH and state ministries of health to ensure the deployment of appropriate staffing on MOH salaries, the timely procurement of supplies (including drugs) and equipment, and raising technical capacity of the government in specific health, education, water and sanitation, and nutrition.

National and sub-national capacities are weak in public and private sectors. Non-state actors have delivered most health and education services and are likely to continue to play a prominent role over the short and medium terms. USAID efforts will be devoted to raising GOSS capacity to: (i) set standards for quality service provision; (ii) enforce regulations in a decentralized political system; and (iii) ensure equitable access to services by populations least able to pay. Over time, USAID should support the development of a robust and well-regulated private sector provision of health and education services for non-marginalized populations.

USAID has played a lead role in establishing formal donor coordination structures in the health and education sectors. These structures have pledged to support a common country-led strategic framework and harmonized systems (e.g., administration and finance). For example, in education, all donors are involved in supporting GOSS to join the Fast Track Initiative, a component in achieving the Millennium Development Goal (MDG) of Education for All. In health, USAID is taking the lead role in establishing and harmonizing pharmaceutical management and drug supply chains and reproductive health and family planning. Furthermore,

USAID remains a driver in development diplomacy in efforts to harmonize the donor community to support the MOH to reduce programmatic, technical and equity gaps by designating donor geographic and technical focus. Through the Health Sector Donor Group, USAID is taking a lead role in encouraging the MOH and all principal development partners to support harmonized systems and plans; work in common geographic areas at the state-level, perhaps taking a lead agency approach, specializing in functional and thematic areas, and building the management and technical capacity of the Ministry of Health.

# 9 Development Objective 4: Agricultural-Based Economic Opportunities Expanded




## *9.1 Development Hypotheses Underlying This Framework*

Experience in Sudan and other post conflict countries shows that improved productivity, the establishment of local businesses, infrastructure development, the growth of human capacity, and enabling policies are necessary for sustained improvement in livelihoods and the emergence of economic security. Without development of these areas, most households are unable to capture emerging economic opportunities and remain reliant upon relief efforts and whatever goods they can produce for themselves. Imported goods tend to dominate the economy and cost of goods remains high, further constraining economic growth.

Development experience also shows that assistance programs often need to have a strategic focus within a sector and/or geographic area in order to achieve impact and scalability. Within South Sudan, crop production and livestock provide for the main sources of income for the vast majority of the population, and serve as one of the pillars for food security. Therefore, DO4 is based upon best practices for economic growth in post-conflict countries, but focused on the agricultural sector (crops and livestock). Specifically, DO4 will seek to enable sustained and inclusive agriculture sector-led growth. These efforts will seek to build upon previous and ongoing efforts implemented through the Office of U.S. Foreign Disaster Assistance (OFDA), the Office of Transition Initiatives (USAID/OTI), and Office of Food for Peace (FFP). There are clear opportunities for developing technology unitization (e.g., improved seeds), businesses (e.g., agro dealers), services (e.g., financing and access to information), infrastructure (e.g., feeder roads), and policies (e.g., fertilizer utilization) that that will promote the identification and capture of agriculture-based market opportunities while maintaining the natural resource base and protecting South Sudan's rich biodiversity.

These efforts will be closely linked to the establishment of effective governance practices and capacities at both the national and state level, and are therefore closely linked to several objectives of DO2.

To demonstrate what will be accomplished in the Transition Strategy period, one or more of the following illustrative indicators can be used for this Development Objective:

- Value of incremental sales (collected at the farm and firm level) attributed to USG assistance;
- Increase in total agricultural production of targeted crops
- Expenditures of rural households among targeted beneficiaries.

**High-level indicators**
At the Development Objective level, we hope to be able to measure impacts on households (increased expenditure) and agricultural economic activity (sales). It is hoped that the primary driver for these indicators will come from increased agricultural production, increased private sector capacity and activity, and an improved enabling environment. Assuming FY 10, FY 11, and FY 12 funding assumptions are met, a stable political environment, and average growth seasons, specific targeted benchmarks during the strategy's two-year time frame include:

- Doubled agricultural productivity for at least 200,000 households through use of improved inputs and cultivation practices;
- Establishment/expansion of at least 100 agribusiness including seed breeders, input distributors, consolidators, and processors;
- Construction of at least $30 million of priority agricultural infrastructure, including feeder roads, storage facilitates, and training institutions;
- At least three core agricultural policies developed with implementation of corresponding regulatory practices including seed use and breeding, and use of fertilizers;
- At least two education facilities strengthened through strategic partnership with regional and international institutions.

These benchmarks represent very aggressive targets, and it is recognized that they may have to be scaled back depending upon the exact length of this Transition Strategy as well as capacity and logistical constraints. It should also be recognized that agribusiness and educational institutions referenced in these indicators will be extremely modest is size and structure. However, they represent targets that will be used to scope and plan activities. In any case, it is expected that unmet benchmarks would still remain targets that would be incorporated into the Mission's longer-term strategy to be developed in several years.

### *9.2 Key Challenges and Means to Meet Them*

***Intermediate Result 4.1: Household Agricultural Productivity Increased to Improve Resiliency[10]***

Basic food security remains a major issue for many households throughout South Sudan. While GOSS and donors recognize a need to transition over time from relief to development, in order for this to occur efforts are needed to improve small-scale household agricultural/livestock productivity and to enable more households to capture other economic opportunities that improve household wealth and the ability to purchase needed food and supplies. This would enable households to not only meet their nutritional needs more consistently, but create opportunities to produce and sell surplus products, and therefore serve as a building block for IR 4.2. Ongoing USAID/OFDA programs that focus on supporting community-level agriculture, livestock, and improving the livelihoods of vulnerable populations also contribute to this result. Planned USAID/FFP programs will enhance market linkages, increase productivity and improve resiliency and risk management among pastoralists, agro-pastoralists and farming households.

Key specific development challenges that USAID will attempt to confront are:

- Food insecurity arising from low levels of household-level agricultural productivity;
- High poverty rates;
- Low household level agricultural productivity; and
- High post-harvest loss of household production.

Illustrative interventions USAID will use are facilitating adoption of:

- Improved inputs (e.g., seeds);
- Technologies (e.g., storage bins); and
- Practices (e.g., post-harvest handling).

Illustrative achievements/outcomes (tied to indicators) that USAID will strive for:

- Increased gross margin per hectare/animal for commodities targeted by USG assistance;
- Increased yield per hectare of targeted commodities;
- Increased number of hectares under improved technologies or management practices as a result of USG assistance;
- Decreased prevalence of poverty in targeted areas (disaggregated by basic and extreme);
- Improved dietary diversity;
- Reduced percentage of household income spent on basic foods;
- Reduced post-harvest food production losses (percent);

[10] Resiliency refers to the ability of households to meet their food needs.

- Increased percent of households adopting new preservation techniques.

The Ministry of Agricultural and Forestry; and the Ministry of Livestock, at both the national and state levels, will be key counterparts and coordinators for these efforts.

***Intermediate Result 4.2: Agricultural Markets Developed***
While increased productivity is a necessary first step in improving household resiliency, small-scale farmers and businesses will need to identify and capture market opportunities in order to progress to a sustained track of livelihood improvement. This entails expanded business capacities at both the household and firm level, such as understanding how to meet market standards and demand, forming functional businesses units, and building relationships with input suppliers, processors, consolidators, and wholesalers. Their increased capacities will be dependent on domestic and international investment and reliable access to microfinance and other financial services. Lack of infrastructure also remains as one, if not the predominant, constraint to market development in South Sudan.

Key specific development challenges that USAID will attempt to confront are:

- Lack of small producers' knowledge of market prices and standards;
- Lack of links between business and consolidated farmers/enterprises;
- Lack of market outlets/linkage opportunities;
- Lack of investment and/or access to credit;
- Lack of feeder roads between areas of surplus production and areas of demand;
- Unmaintained trunk roads;
- Lack of storage, consolidation and processing facilities;
- Lack of proper farmers markets and other sales venues.

The illustrative interventions USAID will use are:

- Development of cooperatives, associations, and other consolidated business structures where appropriate;
- Direct facilitation of market linkages and buyer-producer agreements, e.g., between farmers and agro-input dealers;
- Public-Private partnerships and investments that facilitate market linkages, warehousing, and processing;
- Expansion of financial services when identified as a key constraint;
- Funding of feeder roads and small scale infrastructure priorities that enable agricultural development;
- Capacity building to construct and maintain roads and other public infrastructure such as electricity.

The illustrative achievements/outcomes (tied to indicators) that USAID will strive for:

- Increased sales of locally produced agricultural products as a percentage of total local sales, disaggregated by commodity;
- Increased volume and value of purchases from smallholders of agricultural commodities targeted by USG assistance;
- Increased number of agricultural-related firms, organizations, associations, and community based organizations that benefited directly from USG assistance;
- Increased value of new private sector investment in the agricultural sectors or food chain leveraged by USG assistance;
- Increased number of kilometers of feeder roads improved or constructed;
- Increased number of post-harvest structures established (storage and processing);
- Ability of utilities and other public infrastructure to cover costs, including short-term and long-term maintenance requirements.

The following national and state government authorities will be key counterparts in these efforts: The Ministry of Agricultural and Forestry, Ministry of Animal Resources and Livestock, Ministry of Roads and Transport (Ministry of Infrastructure at the state level), and Ministry of Investment.

***Intermediate Result 4.3: Enabling Environment for Agriculture-Based Economic Development Strengthened***

In order to increase household production and enable agribusiness development, national and state-level policies will need to be developed/reformed and implemented in a manner that both catalyzes economic development while protecting the environment and natural resources. Capacities of key institutions, such as the Ministry of Agriculture, Ministry of Roads and Transportation, and the Land Commission will have to be further developed. Entities for research and information dissemination will have to be rebuilt, and long-term capacities developed within universities and other education providers.

The key specific development challenges that USAID will attempt to confront are:

- Need to develop or reform key agricultural policies (e.g., seeds, fertilizers);
- Lack of uniform and transparent implementation of land policies;
- Threats to biodiversity;
- Lack of research and testing facilities;
- Lack of information on appropriate market level agricultural technologies;
- Low agribusinesses management and marketing capacity.

The illustrative interventions USAID will use are:

- Assistance to develop and implement key agricultural and natural resource policies;
- Partnerships with universities and research institutes;
- Development and provision of information, publications, and other media.

Illustrative achievements/outcomes (tied to indicators) that USAID will strive for:

- Number of policies developed/reformed with USAID assistance;
- Increased number of institution/organizations in the competency areas strengthened as a result of USG assistance;
- Increased number of research centers (national, regional and global) in collaborative partnerships with local entities;
- Increased number of new technologies or management practices made available from research entities for transfer as a result of USG assistance;
- Increased number of farmers/businesses reached though sustained information provision services.

The following National and State Government Authorities will be key counterparts in these efforts: Ministry of Agricultural and Forestry, Ministry of Animal Resources and Livestock, and the Land Commission.

Cross-Cutting: Public and private partnerships will be actively pursued when appropriate to accomplish results. Within all these IRs, particular attention will be paid to identify and strengthen opportunities to empower youth, women and former combatants and strengthen their communities through appropriate economic growth interventions. In addition, all areas will actively seek to identify and support activities that improve environmental conditions and biodiversity.

### *9.3 Timing and Targeting Considerations DO4*

#### *9.3.1 Transitioning from Current USG Efforts*

Currently, efforts to expand economic opportunity in South Sudan are largely focused on the development of critical, large-scale infrastructure. This includes a $220 million effort to build the first paved road outside of Juba, extending 192 km to connect the capital with the border of Uganda. Another 260 km of high-quality gravel roads are under construction in Western Equatoria, which is part of the "green belt"—an area of high agricultural potential in South Sudan. Local contractors are also being utilized to maintain and build roads throughout South Sudan. In addition, energy cooperatives are being established in three towns in South Sudan to enable the generation and transmission of electricity that will have a positive impact on the business sector.

In addition to infrastructure, USAID currently focuses on expanding microfinance operations, development of a land policy, and establishment and management of a national parks system in

South Sudan. Recently, USAID also launched a five-year, $55 million flagship agricultural program in the green belt.

Under this new framework, USAID will move away from funding large-scale infrastructure to focus on feeder roads linked to agricultural development objectives and other strategic small-scale infrastructure projects, which could include grain storage facilities, farmers markets, training facilities, and other structures linked to improving livelihoods in targeted regions. In doing so, USAID development programming and ongoing USAID humanitarian programming, which has a similar focus, will become increasingly aligned.

Microfinance activities will shift from developing the industry as a whole to enabling the provision of credit, when needed, to agribusinesses and small-scale farmers. Similarly, targeted credit/savings schemes may be used as a part of, or link to, DO1 IR 2 (*At risk populations engage in productive economic and social activities*) in areas of high conflict and instability.

Assistance to protect and manage South Sudan's biodiversity will shift from developing initial institutions and systems, to targeting those areas under greatest threat from economic development, particularly in areas with USG economic development activities.

Efforts to establish a land policy will continue, but will move from a dialogue phase to an implementation phase in selected states and counties.

Assistance in the agricultural sector will expand and be the primary focus for this Development Objective. A key theme will be the facilitation of strategic partnerships. Partnerships with universities and regional institutes will aim to inform and enable a wide array of public and private sector actors to recognize and capture market opportunities. Public-private partnerships will aim to expand and facilitate market linkages.

#### *9.3.2 Short-term Versus Long-Term Development, Moving to Focus with the Private Sector*

At this stage of development in South Sudan, it is essential that assistance to farmers be provided in a manner that moves away from handouts and toward sustainable market development. However, market development takes time, and is in its earliest stages in South Sudan. Development Objective 4 will therefore have to find a critical balance between activities that generate impact on a significant scale over the short-term, and the development of private sector and government capacities needed to both enable and sustain real growth over the medium to long-term. Over the short term, assistance will be provided to enable as many farmers as possible to begin increasing their productivity, but only the utilization of quality inputs that can be marketed in the near future by the private sector will be supported. In addition, the number of households that can be assisted over the short-term will be significantly constrained by a lack of storage capacity, access to markets, and lack of experience with private sector input suppliers and purchasers. In parallel, efforts will begin to support the establishment of needed agro-dealers and access to markets that will sustain growth over the medium to long term. The government is reluctant to rely on regional firms to fill this gap, and therefore this critical link will have to be developed in many cases with start-ups. Large-scale donor activities have resulted in numerous farmer associations that can provide useful focal points for many activities, but a substantial

number of these associations will have to move away from a culture of handouts and transition to market and business development activities.

In relation to infrastructure, while the GOSS has committed to the establishment of a roads authority, intensive work will be needed to build its capacity during its initial years of operation. Even after the roads authority is established, it is anticipated that state governments will continue to be responsible for the development and maintenance of local roads. However, security needs are likely to continue to be a major drain on budget resources for at least the short-term. Therefore, short-term assistance will be provided to construct critical infrastructure that enables agricultural-based growth as rapidly as possible, but this will be partnered with assistance to develop strategies, budgets, and capacities that will help maintain current infrastructure and meet ongoing needs.

### *9.4 Transition to a Longer-Term Country Development Cooperation Strategy*

While activities under this DO are designed to meet near-term priorities, it is anticipated that they will all be continued when USAID transitions to a long-term strategy as they comprise core parts of any likely long-term development plan. However, focus and implementation methodologies will evolve. In order to achieve rapid improvement in agricultural productivity levels, relatively large-scale voucher programs and/or association grants will be utilized initially to spur utilization of higher quality seeds and boost agricultural productivity levels of core crops (corn, sorghum, cassava, and ground nuts) in order to help meet national food security goals. However, this methodology will be phased out as USAID transitions to a longer-term development strategy. While private sector agribusiness development will be a key component of the transition strategy, even greater emphasis will be placed upon the establishment of private sector breeders, agro-dealers, consolidators, and processors as USAID transitions to a longer-term development strategy. Under this longer-term strategy, issues of benchmarking, competitiveness, agricultural trade, and regional integration will be increasingly examined, as will more sophisticated enabling factors, such as grain warehouse receipt mechanisms.

### *9.5 Geographic and Target Beneficiary Focus*

Although South Sudan successfully completed a successful and largely peaceful referendum, immense challenges remain to the region's stability and economic viability. Therefore, under this DO, both economic potential and vulnerability to conflict will be analyzed to prioritize geographic focus areas. In some cases these two priority areas overlap, but in most cases they do not. A balance will therefore have to be found between support for stabilization and humanitarian efforts in border states in the northern part of South Sudan, with efforts that build upon past and ongoing USG investments (e.g., Juba-Nimule Road, green belt agricultural development) that enable the development of key economic resources and thereby lay the foundation for economic security and stabilization over the medium term. Coordination with other donor activities will then be used to determine specific geographic targets for USAID interventions. These currently include:

- The "green belt" that crosses Western Equatoria, Central Equatoria, and Eastern Equatoria. This area is currently populated by agriculturalists (as opposed to pastoralists), and is largely seen as holding the greatest, near-term potential for increasing agricultural production in partnership with small-holder farmers. This focus also aligns with the GOSS strategy of

primarily utilizing this region to meet its longer-term food security objectives. Some smaller areas with high-potential small-scale farmers exist in the more northern regions, but there is also potential for large scale commercial farming in these areas which could be developed over the medium to long term. While not a primary focus, initial investment facilitation efforts may be supported in these and other areas based upon investor interest and opportunity, links to farmer and community development objectives, and food-security objectives.

- Areas of high vulnerability to conflict, where targeted economic growth activities can reduce conflict vulnerability, promote reconciliation and/or stabilize affected communities. For example, Jonglei, Northern Bahr el Ghazal, and other border states continue to receive large numbers of returnees; thus, food security and livelihoods interventions in these states should have a view toward targeting returnees and host communities with flexible reintegration assistance, in cooperation with humanitarian partners. Areas targeted under this focus area will be identified in close collaboration with the DO1 team and with USAID/OFDA and FFP.
- The European Commission (EC) is currently designing a large agricultural program that will likely target Northern Bahr el Ghazal, Western Bahr el Ghazal, Warrap, Lakes, and possibly Unity state. The EC program could therefore serve as a link to longer-term development programming for DO1 activities.
- This DO will initially target Jonglei state to pilot an integrated and local government-owned approach to agricultural development and stabilization. This includes development of the local university's education and outreach services; a Food for Peace agricultural program; an expansion of DO1 youth and community based programming, feeder road and other agricultural infrastructure development; conflict mitigation through biodiversity conservation and awareness, and local government capacity development.
- Smaller efforts will be made in Unity and Upper Nile to link agricultural infrastructure support with OFDA and DO1 activities, though these may be expanded in future years based upon the successes of the 'Akobo Model', the availability of funds, and continued gaps in donor activity.

### *9.6 Top Priorities*

The highest priority under Development Objective 4 is to spur a significant increase in the domestic production of key cereal crops (primarily corn and sorghum) in the region's most fertile areas in order to enhance food security within South Sudan. Therefore, Intermediate Result 1, "Household Agricultural Productivity Increased," will be the top priority. The development of agribusinesses, needed infrastructure, an appropriate enabling environment, and human capacity will also be required to sustain growth in the sector. However, should there be a reduction in available resources, efforts to establish agro-dealers and other core private sector enterprises will be scaled back and development efforts will remain concentrated on associations and other agricultural groups. Resources available for feeder roads will be cut, and perhaps the targeted geographic region reduced (IR 2). With fewer resources, IR 3, "Enabling Environment for Agricultural-Based Economic Development Strengthened," would focus only on completing a few core policies on seed and fertilizer management and certification. Other efforts to establish links with international and regional institutions to foster research, innovation, and extensions would be reduced.

### *9.7 Other Means to be Used by the USG to Help Achieve the Objective*

Diplomatic efforts may be required to establish needed budgetary levels and transparency to form meaningful partnerships with the government. These efforts will be especially critical in relation to the maintenance of roads, but apply to other sectors as well. Efforts will also be required to ensure that open and efficient free market principles are consistently followed, and that polices are based upon sound scientific knowledge and in line with development objectives (e.g., utilization of fertilizers and seeds). Other USG agencies may play important roles in meeting these and other strategy objectives. This includes the State Department, USDA, and Department of Commerce.

### *9.8 Consistency with GOSS Priorities and Role of Other Donors*

Development Objective 4 is in close alignment with current GOSS priorities, which emphasize development of the agricultural sector, information collection and dissemination, poverty reduction, market development, and infrastructure development. This was confirmed at an August 2010 conference in Nairobi where six GOSS ministries outlined their development objectives and priorities. The GOSS would like the USG to remain involved in large-scale infrastructure development, This Development Objective, however, would focus USG infrastructure assistance on key constraints to agricultural sector development.

Specifically, agricultural activities will be coordinated under two parallel coordination committees: A USAID-led agricultural donor committee and a GOSS-led Agriculture and Natural Resource Management Working Group. Work related to road construction is coordinated though a UN OCHA-led committee, and non-agricultural assistance to the private sector will be done in close coordination with the International Finance Corporation.

Unfortunately, the lack of local associations, NGOs, and other nongovernment partners restricts the ability to work through a wide array of local partners. However, cooperatives, business groups, financial institutes, and other local entities will be both partners and direct beneficiaries under this Development Objective. Furthermore, local construction companies developed with previous USG assistance will be utilized to the degree possible for any USG funded construction activities.

*Assistance under this DO will also be closely coordinated with other major donors to South Sudan:* The European Union, the UK Department for International Development (DFID), and Dutch are the main other donors active within the agricultural sector. The Norwegian Government also provides funding for small small-scale but strategically relevant activities.

In a manner similar to DO4, the EU is currently planning to provide support for both agricultural productivity and feeder road development. While the majority of USAID activities will be focused in the three Equatoria States and Jonglei, the EU will likely concentrate in greater Bahr el Ghazal (states west of the Nile and in the northern part of South Sudan, except Unity State). EC activities could serve as important bridges for relief to development activities support by OFDA in these areas. Coordination committees are already functioning related to both feeder road development and agricultural policy to insure uniform implementation methodologies and collaboration among core donor agencies.

DFID is expected to be a major donor for feeder road development. Their program parameters are currently under development, but DFID plans to be a signatory to a USAID drafted joint-donor statement on feeder road development in South Sudan that outlines a recommended process for the development and implementation of a multi-donor supported national feeder road program.

The Dutch Government currently plans to provide assistance to the Ministry of Agriculture and other institutions, as well as for the development of South Sudan's seed sector. Multi-donor planning and coordination in relation to a potential national agricultural input development program is currently underway.

USAID will continue to coordinate closely with other donors to make sure that the livelihoods needs of vulnerable, at risk populations, particularly in conflict-affected areas, are addressed to support and sustain stability.

# 10 Contingency Planning

If conflict, political and economic developments, migration and/or natural disasters significantly change the development environment in South Sudan from the one that this transition strategy is predicated on, USAID will need to adjust its plans accordingly. While there are a number of possible scenarios for the post-referendum period, it is probably most useful to look at how USAID would respond in two cases: 1) the so-called "worst-case scenario" used by the United Nations for humanitarian contingency planning; and 2) a "middle-case scenario" that is between the worst situation and the current situation described in this transition.. In this "middle-case" scenario, development activities would need to be closely synchronized with relief and reintegration efforts, as development activities could complement but not replace humanitarian efforts. The worst-case scenario would present the most limited options for development objectives. USAID and its implementing partners, along with the GOSS, the UN and others, regularly assess humanitarian needs, localized conflicts and other factors that could signal a deterioration in stability. USAID's response in the event of two alternative scenarios is summarized below.

**Worst-case scenario**: Under the UN's worst-case scenario, up to 4.3 million people may be in need of emergency assistance, including 1.5 million people who may be affected by localized conflict in flashpoint areas, and an additional two million in host communities and areas affected by the disruption of social service delivery and trade. This scenario also assumes that as many as 800,000 southerners may move across the north-south border, and 250,000 southerners may flee into surrounding countries.

USAID's support to UN agencies and NGOs for referendum planning and response helped to ensure readiness for a possible humanitarian crisis during the referendum period. USAID support also enabled a stable and permissive environment during the referendum period. Current USAID/OFDA support targets returnees, host communities and other vulnerable populations with relief and/or reintegration assistance, as appropriate. More generally, USAID/OFDA awards remain flexible and scalable assistance instruments that are able to adjust to emergent needs.

Similarly USAID/FFP's preparedness consists of the following:

- Support the Famine Early Warning Systems Network's (FEWSNET) role in early warning and further assessment of impending/continuing disasters and building of GOSS capacity in disaster preparedness and response;
- Maintain and further build the Mission's field monitoring of food security;
- Continue to support the maintenance of UN and NGO capacities for rapid emergency response by contributing food and funds for its timely delivery and distribution (e.g., timely FY10 contributions to assure strategic placement of food stocks across southern Sudan in advance of the referendum and rains).

In addition to the OFDA and FFP efforts, USAID would re-program in response to humanitarian needs, funds already obligated under USAID's agreement with the GOSS, but not sub-obligated. To facilitate this process, a crisis modifier was added to the most recent Regional Assistance Grant Agreement (RAGA). Thus, in a worst-case crisis situation, USAID and the GOSS could

invoke this clause and quickly re-program funds to work hand-in-hand with OFDA and FFP activities.

In the worst-case scenario, it can be expected that work toward achievement of the DOs and goal would be interrupted for at least the duration of the crisis. However, some development activities could potentially continue in relatively stable areas.

**Middle-case scenario:** In this scenario, USAID would continue working toward the achievement of the DOs, but would shift or refocus one or more portions of the strategy in response to the specifics of the scenario. For example, if the GOSS were to adopt macroeconomic policies that severely constrain development of the agriculture sector, USAID would reassess what could be accomplished in this area. Or, if significant conflict erupts along the entire border area, development activities would be shifted away from those areas. Anticipated Transition Strategy results would necessarily be reassessed.

Although it is impossible to predict every contingency, at present USAID sees a clear need to support the safe movement (within the south) and reintegration of returnee populations. States along the north-south border are receiving particularly high numbers of returnees and providing essential services and livelihoods for them as well as people already living in these areas will be a major challenge for local authorities. DO1, which is already focused on most of the high-returnee areas, will include activities to better integrate returnees. Depending on conditions in returnee areas, and where activities are currently planned, other DOs will work in coordination with humanitarian and conflict mitigation/transition assistance, particularly in the areas of education/literacy, livelihoods and local-level government capacity building. Mission humanitarian and development staff are already engaged in detailed state-by-state reintegration planning, based on the GOSS's state-level reintegration plans and other information, and will continue to collaborate with the GOSS, state governments and other international partners to ensure efficient use of resources for reintegration of returnees.

# 11 Monitoring and Evaluation Plans

During this Transition Strategy period, USAID/Sudan will improve upon its already active monitoring and evaluation program. In the past two years, USAID/Sudan has completed 10 independent sector assessments as well as 11 independent activity evaluations measuring performance, a number of which collected evidence to inform this Transition Strategy (as shown in Annex B). An additional seven evaluation/assessments in the areas of environment, civic participation, health, and integrated local development are underway.

Going forward, USAID/Sudan will place greater emphasis on garnering evidence for future programming through increased field monitoring, and incorporating more results-based indicators in its performance management plans (PMPs). This could include participation in assessments conducted by other USG entities or by other development partners. A comprehensive geographic information system will be established to facilitate tracking and coordination of humanitarian and development activities. The mission has already initiated steps toward this objective.

In accordance with the Agency's new evaluation policy, USAID will conduct evaluations of its larger projects. While the period covered by the Transition Strategy is short for evaluating impact, USAID will conduct at least one impact evaluation in each of the three Development Objectives that are expected to continue in the subsequent strategy and establish baselines during the Transition Strategy period to facilitate such evaluation.

In addition, USAID will assess the relationships among the DOs, as in geographic location, to refine its approaches for its follow-on Country Development Cooperation Strategy (CDCS). Plans below for assessment and evaluation under each DO will also provide a solid foundation of evidence for this.

*Conflict Mitigation,* DO1: conduct a sector strategy review to readjust north-south border programming based on conditions on the ground after the referendum. Based on a recommendation from the recent conflict meta-analysis, USAID/Sudan will track the significance of each of the sources of conflict identified in that analysis.

*Strengthening Effective and Inclusive Governance*, DO2: Evaluate efforts in supporting elections and referenda; conduct media and rule of law assessments (the latter will be done jointly with State/INL); evaluate effectiveness of human and institutional capacity within GOSS institutions.

*Developing and Sustaining Basic Services*, DO3: Evaluate results in teacher professional development as well as in rural health provision; work with the GOSS MOE in the development of their new strategy and action plan; support South Sudan's first Demographic and Health Survey, a follow-on study to the whole Sudan study in 2006; undertake family planning demand and supply assessments with recommendations to substantially improve the availability and quality of services; and provide assistance to increase the capacity of the government to conduct surveys and evaluations.

*Expanding Agricultural-Based Economic Opportunities,* DO4: Engage a geographic information systems expert to help USAID and the GOSS identify the needs for feeder roads and other

critical infrastructure; map agricultural production trends, donor activity, investment, and other details in order to facilitate agricultural development; explore the potential for integrating the FEWSNET into a GOSS structure. Conduct a mid-term evaluation of the flagship agriculture project and ensure baseline data are in place for an impact evaluation at the end of the project, including an assessment of the Juba-Nimule road, which will be completed in 2012.

USAID/Sudan will collaborate with the GOSS Aid Coordination Unit and partner ministries, to further build and strengthen their capacity to effectively monitor and participate in mid-term and impact evaluations. Working through its implementing partners, USAID will also assist appropriate ministries and GOSS agencies in their efforts to collect and analyze data to support policy issues, and monitor project performance.

# 12 Implementation Mechanisms and Resources

## *12.1 Implementing the Transition Strategy*

USAID will implement the Transition Strategy through a variety of mechanisms including competitive grants and contracts, contributions to pooled funds, and public-private partnerships (e.g., Global Development Alliances and Development Credit Authority). The GOSS and development partners are discussing arrangements for managing aid in the post-CPA period, taking into consideration the lessons of the past five years. The most likely scenario is a series of sector-based pooled funds, managed by a lead donor, that support the implementation of mutually agreed sector strategies. USAID's leadership of a pooled fund would be well-received if this were feasible. Bilateral projects aligned to the sector strategies will complement the pooled funds and spread the implementation risk.

The GOSS would prefer direct budget support but acknowledges that its financial management and procurement systems do not yet meet generally accepted standards. USAID's economic governance support will help strengthen GOSS and state-level budget and financial management systems. USAID will seek targeted opportunities to use host country systems, most likely on a cost-reimbursement basis and for small amounts. Examples could include reimbursing state or county administrations for small-scale infrastructure projects.

South Sudan is a particularly challenging and expensive operating environment with little or no infrastructure, considerable obstacles to moving around the country, and relatively few skilled local professionals. Implementation start-up is thus lengthier and more costly than in more developed and well-resourced environments. USAID will consider these factors as well as the need for implementation flexibility in designing instruments to implement the Transition Strategy. The GOSS will participate in the determination of implementation mechanisms and the technical review of proposals where appropriate.

The Sudanese diaspora are already playing a significant role in South Sudan's development and have the potential to be a greater force in the future. Many southerners who left during the civil war earned advanced degrees and have gained valuable skills and experiences and different attitudes and approaches. In implementing its programs, USAID will support special efforts to recruit southern Sudanese from the diaspora as project staff, within USAID itself and as technical advisors to the GOSS and state governments. USAID is also willing to assist the GOSS in developing a policy framework on diaspora—a need that has been identified by members of the diaspora themselves.

# A. Annex: Other Donors

| Key Development Sectors | Non-USAID Donors by Sector, Lead and Supporting | | | | | | | | | Projected Resources Required, 2011-2013 (in millions of US$) |
|---|---|---|---|---|---|---|---|---|---|---|
| | UN | UK | EU Institutions | World Bank, (MDTF) | Japan | Joint Donors | Norway | Other USG | Others (Other OECD and Non-Traditional | |
| Conflict Mitigation | | A | | | | C | | | | $750.00 |
| Rule of Law | B | C | | | | | | A | C | $300.00 |
| Democratic Governance | C | | | A | | C | | | C | $350.00 |
| Electoral/Referenda Support | A | | | | | | | | | $400.00 |
| Health (Including WASH) | C | A | C | A | C | A | | | C | $7,153.00 |
| Education | A | C | | | C | | | | | $3,640.00 |
| Agriculture | C | | A | C | | C | C | | C | $1,000.00 |
| Infrastructure (Roads and Electricity) | C | A | A | | C | A | | | | $3,680.00 |
| Other EG/Private Sector | C | | | B | | | | | | $250.00 |
| Natural Resources Management | C | | C | | | | A | | | $241.00 |
| | | | | | | | | | **Total** | **$17,764.00** |

**Code**

| | |
|---|---|
| Lead shared with USAID | A |
| Lead without USAID support | B |
| Supporting role | C |

## B. Annex: Evidence Collected Through Studies, 2008-2010

The drafting of the present Transition Strategy was significantly informed by the results of these evaluations and assessments. The table below provides a summary of the key findings/recommendations and how they have been used as evidence to inform this Transition Strategy (quotes or near-quotes from the studies are in *italics):*

**Conflict Assessments and Evaluations**

| Title of Study | Date Completed | Evidence collected for decision making |
|---|---|---|
| *USAID Southern Sudan Conflict Meta-Analysis* | December 2010 | USAID's Office for Conflict Management and Mitigation sent a conflict analyst/Sudan expert to Southern Sudan in September-October 2010 to conduct a meta-analysis of conflict drivers and dynamics in southern Sudan and to identify broad recommendations for Mission strategy. The findings of the analysis have been woven into this strategy. |
| *USAID Community Security Assessment Team Report* | September 2009 | USAID sent a team to southern Sudan to assess rising community insecurity in 2009. The team looked at the drivers of conflict; what was being done to address them; what gaps existed; and what specifically USAID could do to address them. These findings from this assessment served as the basis for USAID/Sudan's community security initiative, which was rolled out in southern Sudan in October 2009. |
| *Rolling Assessments of Local Conflict Dynamics* | September 2007-Present | The model USAID created in Akobo County was shown to be a cost-effective means to mitigate conflict. With the administration of 17 small grants valued at an estimated total of $1.5 million, average monthly deaths due to ethnic violence decreased from 75 to 2 over a period of eight months. |

**Democracy and Governance Assessments and Evaluations**

| | | |
|---|---|---|
| *GOSS Functional Capacity Prioritization Study* | December 2009 | Using tools to analyze needs in fragile states, discussions with all levels of the GOSS and the international community identified six key areas (1) security, (2) executive leadership, (3) financial resource management, (4) human resource management, (5) oil and land resource management, and (6) equitable social service access. |

| | | |
|---|---|---|
| *A Mid-term Evaluation of USAID Support to Developing Core Institutional Structures Project* | January 2010 | Four years on from merely being on paper, there are buildings, staff, procedures, a functioning GOSS, and a true government with both a federal component and 10 state components. …This construction, both physical and procedural, has been an extraordinary accomplishment, and the program has been a true partner in that work.<br>In some cases, however, a lack of coordination among donors, even described as "competition" by multiple advisors, has diminished the project's effectiveness, with advisors from different donors often pulling in different policy directions, as particularly evidenced in the attempts to develop the pensions system. |
| *A GOSS Strategic Capacity Building Study* | June 2010 | It is most cost-effective to work with the largest unit possible (such as an entire ministry), but if the requisite political will cannot be garnered for transformation, using a smaller unit-by-unit approach is appropriate. |

**Basic Services Assessments and Evaluations**

| | | |
|---|---|---|
| *Mid-Term program evaluation for Strengthening Pharmaceutical Systems (SPS) project* | October 2010 | Key areas for improvement were identified for the MOH/GOSS in pharmaceuticals management, malaria control and Expanded Program for Immunization (EPI) used by SPS project in Southern Sudan. |
| *An Analysis of Selective Health Financing and Management Issues* | July–August 2009 | The level of budget allocations and their composition have fluctuated wildly across the 2006-2009 budgets and states. The system of allocations to states is not regularized and unplanned, often leaving them with either no funds or no idea when they will receive funds. |
| *An Assessment of the Status of Teacher Professional Development in Southern Sudan* | Dec 2009 | Some 96 percent of teachers have no formal qualifications; the majority of southern Sudanese speak Arabic and not English; The Education Framework envisaged in 2006 following the CPA, described a total of 10 Teacher Training Institutes (TTIs), one in each state and two Community Education Centers in each county. To date, nine CECs (out of a possible 158) are operational and 306 are partially constructed. Three (out of 10) MOE TTIs are operational, an additional 6 are in need of renovation and an additional 2 are under construction. There are also an two private TTIs, which are fully operational. |
| *A Mid-Term Evaluation of the Health, Education and Reconciliation (HEAR) Project* | May 2010 | The HEAR Project activities are effective in enhancing the demand for and overall supply of social services. This is achieved by strengthening capacity at the school and community level through training of teachers, head teachers, community health promoters, and parent teacher association (PTA) members. The training has helped to increase the demand for education and health services, which is evidenced, by swelling school enrollments. |

| | | |
|---|---|---|
| *Sudan Infrastructure Services Project Evaluation Report* | April 2010 | Significant long-term investment in urban water infrastructure is required to improve and expand service delivery to Urban Water Corporation customers. Urban sanitation coverage also remains quite low, and further investment in urban sanitation infrastructure and services is warranted. Further hygiene behavior change programming is recommended to reinforce hygiene behavior change messaging. |

**Gender Assessment**

| | | |
|---|---|---|
| *An assessment to identify key gender issues and constraints that need to be addressed in USAID/Sudan's programs* | September 2010 | A brief comparison of gender issues raised in an assessment in 2003 to findings of the 2010 assessment reveal that many barriers to women still exist. Despite a constitution that theoretically provides equal rights to women and men, in practice women do not have those rights. Southern Sudan is a patriarchal society where men's opinions count more than those of women. The GOSS has placed education and health high on their agenda but poor infrastructure and a shortage of qualified workers and trained teachers impede progress. Female teachers constitute a very small percentage of teachers in southern Sudan, which has a detrimental effect on girls' education in general. It is widely accepted in the development community that gender-based violence is pervasive and, by many accounts, getting worse. The assessment recommends that USAID should not ignore this alarming situation and should source additional funds to support a gender-based violence (GBV) program, supporting gender integration by providing education and training on the specific elements of GBV. |

**Agriculture and Environment Assessments and Evaluations**

| | | |
|---|---|---|
| *Southern Sudan Environmental Threats and Opportunities Assessment* | Updated November 2010 | Key threats to southern Sudan's biodiversity: limited policy and legislative framework for biodiversity conservation; institutional capacity of GOSS, state and local levels to manage natural resources is limited; environmental regulatory bodies at the GOSS and state level do not exist; climate change; commercial forest exploitations; demand for construction materials, fuel wood and charcoal.<br>Recommendations: continue support to policy and legislative development and capacity strengthening in the environment sector; continue support for protected area management in target areas with high biodiversity; expand current capacity strengthening efforts that target the MOE and the Ministry of Wildlife Conservation and Tourism (MWCT) staff; reduce slash and burn agriculture; control bush meat trade; continue support to effective forest management, community woodlots, certified construction material and charcoal enterprises, alternatives to fuel wood and charcoal such as gas. |

| | | |
|---|---|---|
| *An Assessment of Expanding Agriculture and Food Security Activities in Southern Sudan* | June 2009 | Agricultural potential in southern Sudan is high with about 90 percent of its total area considered suitable for agriculture, 50 percent of which is prime agricultural land. Soil and climate conditions allow for a wide variety of food and cash crops. About 75 percent of the assessed households own livestock. Principal challenges to agricultural are low/no use of improved technologies, lack of inputs including seeds/planting material/improved breeds, fertilizers, mineral blocks and tools, poor rural infrastructure that hampers access to markets, low literacy and numeracy rates, lack of financial services, weak agricultural and livestock research and extension services, poor quality animals, lack of animal health services, lack of water and pasture for livestock that causes conflict with other resource users, pests and diseases of both crops and livestock, labor shortages and lack of irrigation. |
| *An Evaluation of the Sudan Agricultural Market & Enterprise Development (AMED) Program* | May 2008 | GOSS agricultural extension workers lack both skills and motivation to help farmers.<br>GOSS capacity for developing effective policies for agricultural development is very low.<br>Market chain analyses identified promising agricultural subsectors as horticulture, coffee, groundnuts and beekeeping/honey. |
| *Global Hunger and Food Security Initiative FY 2010 Sudan Implementation Plan* | February 2010 | An analysis of past and present development activities in agriculture and a comprehensive plan to lay the groundwork to scale up agriculture, reduce food insecurity and improve nutrition. |

**Environmental Threats and Opportunity Assessment (ETO) Assessment**

| | | |
|---|---|---|
| *As required by USAID Foreign Assistance Act (FAA) of the United States, Sections 118 and 119, as amended, USAID /Sudan commissioned this Environmental Threats and Opportunities Assessment (ETOA) for Southern Sudan to determine the actions necessary in Southern Sudan to conserve biodiversity and tropical forests; and ways in which USAID is meeting those needs. This ETOA 2010 builds on the design and findings as presented in the ETOA 200 .* | November 2010 | Southern Sudan contains rich biodiversity resources, some of which are highly threatened. Due to the civil war, little natural resources data had been collected over the last 25 years. After the signing of the CPA in January 2005 efforts, by the Wildlife Conservation Society (WCS) and Flora and Fauna International (FFI) aerial surveys have been made to fill data gaps (2007, 2008). These population censuses have shown that significant wildlife still exists in southern Sudan despite the years of war and lack of wildlife management and conservation.<br>Southern Sudan contains six ecological zones: semi-desert, low rainfall woodland savannah, high rainfall woodland savannah, flood region, montane forest, and lowland tropical forest. The flood region includes the Sudd, considered the largest floodplain in Africa, and recently included in the List of Wetlands of International Importance under the Ramsar Convention. Southern Sudan currently has five national parks (plus one proposed), 11 game reserves (plus two proposed), three proposed nature conservation areas, and the Sudd Ramsar site, covering a total of 15.6 million hectares. Southern Sudan also has extensive and diverse forest and woodland resources that provide timber, poles and firewood, food, oils, medicines, as well as habitat for much of Southern Sudan's wildlife. The escalating demand for construction materials and charcoal, opening of improved road networks and illegal timber trade form a serious threat for the current natural forests.<br>Key threats to southern Sudan's biodiversity remain basically the same as in 2007: limited policy and legislative framework for biodiversity conservation; institutional capacity on GOSS, state and local levels to manage natural resources is still limited; environmental regulatory bodies at the GOSS and state level do not yet exist; climate change; commercial forest exploitation; demand for construction materials, fuel wood, and charcoal.<br>The following recommendations are made to strengthen support of biodiversity and forest conservation: Continue support to policy and legislative development and capacity strengthening in the environment sector; continue support for protected area management in target areas with high biodiversity; expand current capacity strengthening efforts that target the MOE and the MWCT staff; reduce slash and burn agriculture; control bushmeat trade; continue support to effective forest management: community woodlots, certified construction material and charcoal enterprises, alternatives to fuel wood and charcoal such as gas. |