1. **IDENTIFICATION**

| Title/Number | Sudan - Sudan Food Security Programme (SFSP)  
| CRIS No SD/FED/023-237 |
| Total cost | EUR 23 000 000 |
| EU Contribution | Special Funds for Sudan Council Decision 2010/406/EU |
| Aid method / Method of implementation | Project approach  
| Direct centralized management - Joint management with the Food and Agriculture Organisation (FAO) |
| DAC-code | 52010 |
| Sector | Food Aid/Food Security Programmes |

1. **RATIONALE**

2.1. **Sector Context:**

Sudan’s economy has undergone a structural breakthrough since the advent of significant oil production in 1999. According to the World Bank, the Gross Domestic Product (GDP) grew six-fold and real GDP growth surged from about five per cent in the 1990s to 7.5 – 8.0 per cent in 2000 to 2010, one of the strongest in the region. Progress was also made in meeting some of the Millennium Development Goals (MDGs), including reducing the prevalence of under nourishment.

However, Sudan's growth is not sustainable. Heavily reliant on oil\(^1\) at the expense of non-oil sectors, the Sudanese economy will face enormous difficulties in the years to come as a consequence of the secession of South Sudan on 9 July 2011. It is estimated that Sudan will lose 75% of the oil production, which will result in an increased budget deficit and a dramatic reduction in exports. Economic instability will likely be mirrored by political instability, as Sudan will enter the post-secession period affected by an open conflict in Darfur, a difficult relation with the new State of South Sudan and social and political tensions in the eastern region and the southern border States of Blue Nile and South Kordofan, including a recent rebellion in the latter. Furthermore, the increased budget deficit will imply cuts in social expenditure and in the transfers from the Federal to the State level which will make it very difficult for the inequality gap between central and periphery states to be reduced in the coming years.

Although oil is the most important sector in terms of revenues and exports, the economy is still predominately agricultural, providing employment and livelihood to more than two-thirds of the population\(^2\). Agriculture generates more than one-third of the country’s GDP and more than 90% of the non-oil export earnings. Agriculture also supplies about 60% of the raw material processed by the manufacturing sector\(^3\). In spite of this, prevalence of food insecurity is widespread in Sudan. According to the 2009 National Household Baseline Survey (NHBS-2009), one out of three Sudanese suffered from food deprivation and prevalence of under nourishment was 31 and 34 per cent for urban and rural populations respectively. Prevalence of food insecurity is unequally distributed throughout Sudan, with higher prevalence recorded in Darfur, the eastern region and the States bordering the South. In addition to displacement caused by conflict, there are a number of structural factors at the root of food insecurity, including inadequate investment in smallholder farming, climatic variability resulting in recurrent droughts and floods, poor rural infrastructure, shortcomings in the Food Security Policy and programming framework and weak rural markets.

**Food security policies** have rarely been effective. Moreover, they have not been reinforced by targeted strategies and institutional developments either at National or at State (decentralized) level. For

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\(^1\) According to the International Monetary Fund (IMF) (2010), oil accounted for some 93 per cent of exports and 50 per cent of domestic revenue in 2009.

\(^2\) African Economic Outlook, 2010

\(^3\) NEPAD, 2005
instance, there is no overarching rural development policy and little progress has been made in the implementation and utilization of the Rural Development, Food Security and Poverty Alleviation Act of 2005 or the National Food Security Action Plan (NFSAP) for Sudan that was prepared in 2007. Recent Government policy related to food security has focussed principally on stimulating agricultural production (e.g., through the Agricultural Revival Programme⁴), especially cereal production, not addressing aspects of access to food. In the States, decades of marginalization and instability have negatively impacted on their capacities to plan, budget, formulate and implement sector policies defined at central level. Current State Government Sector Policies and Strategic Plans are replicas of federal Government policies and not necessarily based on the states’ and localities’ contexts. In addition, lack of timely and reliable data, its analysis and dissemination, which would help decision makers to prioritize their decisions and allocate resources wisely, has often been cited as a chronic problem. However, the creation of a Food Security Technical Secretariat (FSTS) as an inter-sector policy formulation and the fact that a number of food security actions have been included in the five-year 2012-2016 strategic plan formulation (currently underway) are encouraging signs of Government’s intention to start addressing the multi-dimensional nature of food insecurity in a more effective way.

Smallholder cultivation supports about 35% of the population of Northern Sudan and contributes to the national food supply; however it is a sub-sector which has been particularly neglected. The smallholder sector can be loosely divided into farmers and pastoralists but the divide is gradually becoming less distinct as pastoralists are increasingly settling and producing crops, while the number of farmers owning livestock herds is increasing. Although smallholder households are characterized by a strong subsistence focus, most do not produce or acquire sufficient cereals for year-round household consumption⁵. Their low productivity is mostly due to declining soil fertility as a consequence of poor agricultural practices and poor adaptation to increasing climatic variability. Most surveys point out that the majority of rural households have to apply different coping strategies in order to be able to purchase food and to overcome the hunger gap. In addition, rural smallholder producers are confronted by plummeting local market prices, resulting in farmers minimising their risk by not using improved seeds, fertilisers and other inputs, and pastoralists not investing in animal health or improved breeds. This leaves them trapped in a cycle of poverty framed by low and declining crop yields, reduced access to water and pasture. There is however a huge potential for increasing yields in Sudan, as has been shown by several studies⁶. If household productivity and yields are improved, this will have a significant beneficial impact on both household food security and expendable income. The development of the smallholder sector is however heavily constrained by the level of access to services: Extension services lack critical logistic facilities, equipment, and operating funds. Their deployment favours mechanised and irrigated farming with less support to dry land agriculture and they have weak institutional linkages with research and university centres. Although the private sector provides some services, these have little quality control, and generally prioritise large scale producers for cost efficiency considerations. Smallholders’ access to financial services is limited to the informal sector. Most of the government efforts and resources continue to be allocated to large scale agriculture initiatives⁷, primarily interested in the promotion of strategic partnerships with foreign public and private investors for large scale land acquisitions.

Taking into account the above, the Sudan Food Security Programme (SFSP) will aim at improving long-term food security in the southern-border States of South Kordofan and Blue Nile and in the Eastern region.

2.2. Lessons learnt

Recent evaluation of European Union (EU) and other major donors has shown some successes drawn up from past assistance, but has also provided useful lessons to improve effectiveness in the future. The most significant lessons that have been taken into account in preparing SFSP are detailed below:

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⁴ The four-year Agricultural Revitalization Programme was launched in 2008 with a high level of political support. It has been a very ambitious programme that identified policy related gaps to agricultural development including financial, marketing, investment and land use policies as well as institutional reform. The programme has fallen short at the implementation stage for reasons related to capacity to implement the policies required.

⁵ Food and Nutrition Security Assessment in Sudan (FNSAS), 2010

⁶ On farm research conducted recently at the research station in Damazine (Blue Nile) with rain-fed zero tillage and fertilizer plus herbicide applications resulted in a yield of 2.7 tonnes/ha, which is five-fold the average for rain-fed farming

⁷ CFSAM Report, 2011
• Need to further focus on the regional level. In Sudan's Federal constitutional system, the responsibility of applying policies and providing rural services lies with the lower institutional entities. However, the past EU's major programmes like the Food Security Information for Action (SIFSIA) or, the Sudan Productive Capacity Recovery Programme (SPCRP) focus on training programmes and extension packages designed at central level and therefore being only partially effective. SFSP has taken this into account and will switch focus towards each of the targeted areas.

• The evaluation of SIFSIA showed that in order to generate changes that benefit the population, project focus needs to move from information systems into policy implementation and strategic planning based on the available food security information. SFSP will therefore dedicate most of its efforts to improve policy implementation, strategic planning and coherent budget allocation in targeted areas while limiting its support to information systems to improve the quality of data gathering.

• The ongoing Eastern Recovery and Development Programme (ERDP) and the SPCRP has shown that the direct small-scale engagement with regional authorities is an appropriate mechanism to facilitate the provision of services for agricultural producers in terms of improved production and incomes. Many useful experiences and lessons are being obtained, including in the field of new technologies for land preparation and livestock development. Other major lessons learnt from projects implemented by the International Fund for Agricultural Development (IFAD), FAO (Special Program on Food Security), World Food Programme (WFP) (recovery programmes), Non-Governmental Organisations (NGOs), World Bank (Multi Donor Trust Fund - MDTF), and African Development Bank include:

• Long-term food security efforts need to be linked to ongoing humanitarian interventions where possible, as the latter cannot tackle the underlying causes of food insecurity. More consistency is also necessary between the overall policy context and food security responses.

• More is required to enhance capacity of lower institutional levels. The imbalances in resource allocations towards the rural sector and the peripheries need to be partly redressed.

2.3. Complementary actions

The SIFSIA, the SPCRP and the ERDP programmes are particularly relevant.

• SIFSIA has built institutional capacities to establish an information-based decision-making system that provides food security policy and strategic guidance. Key among its achievements has been the establishment of the Food Security Technical Secretariat (FSTS), which will provide federal guidance, coordination and technical backstopping to most of the outputs of the policy support component of SFSP.

• SPCRP is building the capacities of key emerging institutions in the areas of Blue Nile and South Kordofan, to provide agricultural services to rural areas. SPCRP has laid a foundation on which the current project can build: physical infrastructure has been established, transportation provided and human capacities strengthened. In addition, it has developed valuable models on irrigated agriculture, horticulture and especially livestock production that could be adopted and replicated in the future.

• ERDP has provided, in the eastern region, initial capacity building in procurement, contract management, supervision of implementation and monitoring and evaluation of projects and investments. ERDP has also done much interesting work in different fields related to smallholder livelihoods, including livestock development, training on vocational income generating activity, horticulture and water harvesting for rain-fed agriculture.

• The EU-funded Food Security Thematic Programme currently supports 12 projects implemented by NGOs in the four selected areas. The focus is on food security of poor rural smallholders, mainly on horticulture, livestock support and IGA, which are expected to improve household consumption and increase the income particularly of women and other vulnerable groups. Whereas the NGOs strength lies in community organisation and mobilisation, some work is being done through agricultural extension services, which often lack proper training tools and technical expertise.

There are also projects funded by other donors that will be complementary to SFSP:
• The programme "Supporting Small Scale Traditional Rain-fed Producers in Sinnar State (SUSTAIN)", implemented by IFAD, it's expected to facilitate the replication and wider adoption of the technical packages for minimum tillage, soil and water conservation, animal nutrition and post harvest management. This project aims to redress the alarming levels of land degradation which is considered to pose the biggest threat to smallholders' livelihoods and social peace.

• The "Revitalizing the Sudan Gum Arabic Production and Marketing Programme" (RSGAPMP), administrated by the World Bank, expects to increase the production and income of small-scale gum producers in five areas, among them Blue Nile and South Kordofan where there are good perspectives for complementarities in terms of target beneficiaries, most of which are engaged in dry-land farming.

• The "Improving Livestock Production and Marketing Programme (IPLM) - A Pilot", administrated by the World Bank, aims to build the capacity of livestock traders and exporters in four areas, among them in Blue Nile. Complementarities are also envisaged considering the various studies produced on livestock marketing, value chain, and the assessment of factors contributing to conflict among pastoralists, agro-pastoralists and sedentary farmers.

• The "Western Sudan Resource Management Programme" implemented by IFAD intends to demarcate and develop three stock routes and the rainy season grazing areas in North and South Kordofan, apart from being involved in the annual assessment of range productivity and trends. In addition, the "Seed Development Programme" (SDP) will aim at increasing productivity of sorghum and millet among others in Greater Kordofan.

• Finally, WFP is also embarking on some innovative projects such as the "Cash & vouchers" or the "Farmers to Markets" with experiences in Blue Nile, South Kordofan and Kassala among other areas. For the latter, WFP has made public funds available for credit facilities to farmers as well as extension officers for supervision of the schemes.

2.4. Donor coordination
Donor coordination in Sudan is weak, mostly because most of the donors are not ready for engagement with Government structures and prefer to fund short-term projects through parallel implementation structures, but also because of a lack of will to engage in a policy dialogue.

In the food security sector, the FSTS has recently created a donor coordination group of which the EU takes part, although it is still too soon to assess to what extent the group will become an effective tool for coordination. Donor involvement in the sector is limited anyway, as only small amounts of funds have been allocated to projects. In addition to the EU, the main sector donors are the Netherlands, Canada, Japan and Italy. Areas of concentration are South Kordofan (Netherlands, Canada) and Kassala (Japan, Italy). Most of the projects are aimed at improving smallholder's production in traditional rain fed areas, except for Japan, which is more interested in providing technical assistance to improve the performance of the irrigation sector (rice).

At regional level, institutional weaknesses in policy implementation and strategic planning have made it difficult to put in place proper sector coordination, which is often organised in an informal manner.

Bearing the above in mind, during the formulation missions, meetings were held with all stakeholders, Non-State Actors (NSAs) and interested donors. The initial design was presented to the main stakeholders and their feedback provided was incorporated in the project's design.

3. DESCRIPTION
The Sudan Food Security Programme (SFSP) aims at reducing food insecurity in Kassala, Gedarif, Blue Nile and South Kordofan.

3.1. Objectives
The overall objective of Sudan Food Security Project is to contribute to improved food security. The project purpose is to improve the effectiveness of responses to food insecurity and to increase rural smallholders' livelihoods in the targeted areas.

1.1. The project will target the areas covered by the provisions of Council Decision No 2010/406/EU: Darfur, East Sudan (Kassala and Gedarif) and the Transitional areas (Blue Nile
and South Kordofan). According to the security situation, a revision of the targeted geographical areas within the Decision's provisions might be proposed during the inception period.

SFSP will have two components. The first component will put in place cross sector food security coordination structures. The second component will improve productivity and income of rural smallholders by increasing both yields of rain fed crops and household income originated by additional livelihood activities such as horticulture or livestock.

3.2. Expected results and main activities

The expected results of this programme will be:

1. Food security related actions are more inclusive, better informed, implemented and monitored.
2. Increased productivity and income for rural smallholders in selected project areas.

1. Food security related actions are more inclusive, better informed, implemented and monitored.

This result will be achieved primarily by strengthening capacity to prioritize and formulate food security policies and strategies based on well researched evidence and through inclusive and consultative mechanisms in which lower level governance structures and major non-state actors become part of the prioritizing and decision making processes.

Activities for this result will be implemented through joint management (contribution agreement with the Food and Agriculture Organisation (FAO) and will include:

1.1. Effective cross-sector Food Security Institutional set up established and linked to the Institutional Framework.

After assessing the existing Food Security institutional setup, the project will facilitate the establishment of an inter-sectoral food security secretariat and support it to develop coordination mechanisms with other development actors and operational linkages, including with the Localities.

1.2. Capacity to review, plan, budget and monitor food security (FS) policies and strategies are developed.

This activity will bolster capacity to formulate their sector policies, strategies, plans and budgets.

1.3. Functional regional level Food Security Information System strengthened and supporting decision making.

This activity will strengthen key components of a cross sector food security information system paying special attention to issues of poverty and vulnerability, beyond food production. These will include, agro-climatology and livestock/pasture monitoring, market information, health and nutrition monitoring, and integrated food security analysis. The development of these features will be user-led and effective mechanisms will be established for their integration with the Food Security institutional set ups.

1.4. Capacity of food security oriented Non-State Actors (NSAs) strengthened.

The project will provide support to NSAs groups (producer associations, professional bodies, Women Union's and Local Non-Governmental Organisations (NGOs)) so that their knowledge and resources are effectively integrated in food security decision making processes.

1.5 Key food insecurity drivers are better understood and integrated to decision making.

Through this activity, the project will improve the understanding of policy and decision makers about the nature and magnitude of food security issues so that they can design evidence-based policies and strategies.

1.2.2. Increased productivity and income for rural smallholders in selected project areas.

1.3. This result will target rural smallholders, referring to that part of the rural population which is involved in agricultural activities but who also belong to the poorest quintiles and are likely to be food-insecure during at least a few months of the year.

1.4. The result will increase productivity and income of rural smallholders by promoting a vertical expansion of agriculture whereby, on the one hand, productivity of rain fed crops through improved practices will increase and, on the other hand, benefits will be generated by
providing access to appropriate packages and technologies for additional livelihood activities such as horticulture or livestock rearing. In addition the programme will facilitate smallholder access to and use of services (credit, inputs, etc.).

The main activities are the following

2.1. Improved practices and techniques for rain-fed farming applied

The activity will focus on the development, introduction and adoption of appropriate farming techniques and practices in order to increase the productivity of rain-fed smallholders in terms of improved yield levels per hectare. The project will facilitate action research that will lead to the formulation of specific recommendations with respect to the use of more effective techniques to improve soil structure and fertility. The recommendations thus developed will be disseminated to the smallholders and will be demonstrated on different sites, using appropriate manuals and training tools.

1.5. 2.2. Appropriate packages and technologies for additional livelihoods activities.

This activity concerns the development, introduction and adoption of appropriate technologies for smallholders to improve the benefits obtained from a variety of non rain-fed farming related livelihood activities. The project will for example facilitate access to small machines and equipment for farming with the introduction of appropriate incentives to smallholders, designed on the basis of technical studies that should determine preferences and needs. This will be complemented with the provision of extension messages and demonstrations of technologies, allowing smallholders to adopt these technologies effectively and at affordable prices, thus creating the basis for a sustainable demand.

2.3. Increased access and use of rural services (credit, inputs, etc.)

The third activity will focus on improving access to specific services by rural smallholders in order to enable them to improve the conditions under which they engage in agricultural production. For existing groups of smallholder producers in the selected areas, the project will provide trainings and relevant information so that they are empowered to demand specific services such as credit and insurance, and services for ploughing, extension, crop protection and marketing. The project will also support the establishment of linkages between groups and service providers (including value chain development).

In addition, the project will actively contribute to the development of new or adapted services such as hire-purchase schemes for the small technologies, credit provision and insurance schemes for agricultural inputs. Successful experiences will be adopted and replicated for further expansion to other smallholder groups.

3.3. Risks and assumptions

The main assumption is that peace prevails and security is maintained in target states.

Main risks are: (1) budget transfers decrease following increased public deficit caused by the secession of South Sudan; (2) low or irregular rainfall conditions hamper increase in production; (3) border between Sudan and South Sudan prevent seasonal pastoralist migration and leads to resource competition between pastoralists and farmers; (4) smallholders reluctant to invest in agricultural inputs.

3.4. Crosscutting Issues

*Climate change:* capacities to identify appropriate policy measures appear to be extremely weak. SFSP will build capacities to formulate adaptation and mitigation strategies. Climate change will cause an increase in extreme weather conditions and, therefore, the need for the adoption of seed varieties that can withstand drought or even flooding is becoming increasingly urgent. SFSP includes action research and dissemination of adapted extension packages that will include adapted seed varieties.

*Environmental sustainability:* The observed decreasing yields of rain-fed agriculture is caused by, amongst others, a sharp decline in soil fertility because of the practice of shifting cultivation, and leaving long fallows due to the increasing pressure on land. The current extent of degradation of the soils will certainly have a negative impact on the environment. Poor soils, that are low in nutrients and low in organic matter content, are more prone to erosion by water and wind and may ultimately be irreversibly damaged. SFSP activities in support of smallholders will result in enriching these soils with increased organic matter content and other nutrients, and will thus contribute to an improvement and sustainable use of the environment at the expense of harmful expansion of arable land, which is done in many instances at the expense of forests.
Gender equality: Gender equality considerations will be built into the detailed project design. The project will specifically target female headed households and women’s groups, particularly in terms of facilitating their access to small equipment intended to help improve productivity and income derived from various livelihood activities.

Conflict prevention: A considerable part of what is today farming land was formerly used for grazing, so the increasing use for cultivation is often a cause of friction with the pastoralist community in many parts of the country. The project will contribute to reduction of tensions between pastoralists and sedentary farmers, as improving the soil fertility of the cultivated land will reduce the necessity to expand the farm and to clear new land at the expense of the traditional livestock routes, including water and grazing areas. Furthermore, the project will include the newly settled pastoralists as part of the target beneficiaries.

Adoption of good governance principles and human rights: The first component of the project puts good governance at the centre of its focus. It aims at facilitating appropriate mechanisms for governance in the food security sector.

3.5. Stakeholders

The main beneficiaries of the project will be small scale rain-fed producers living in the targeted States. Rain-fed cereal production is taken as an entry point because most of the rural dwellers try to be self-sufficient with respect to cereal production, even if their main livelihood is different. The project addresses the core needs of rural smallholders in terms of food security and at the same time provides assistance to other productive activities complementing their livelihoods, therefore including support to horticulturalists, fishermen and pastoralists, and in particular to women as well as displaced persons and refugees who rely mostly on casual labour to generate income.

Other stakeholders: The project will establish close links with private sector suppliers in order to improve the status of rural shops as to become effective extension agents providing technical advice as well as demonstrations of equipment and technologies. Non State Actors will benefit from support for more effective policy engagement and better access to services. Development partners with which the project will coordinate activity implementation include the World Food Programme (WFP), United Kingdom Department for International Development (DFID), Canada International Development Agency (CIDA), European Commission Humanitarian Office (ECHO), Italy, the Netherlands and the World Bank.

All stakeholders mentioned have been extensively consulted during the formulation of the project.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project will be implemented by means of joint management with the Food and Agriculture Organisation (FAO) (result 1) and through direct centralized management (result 2).

Result 1 "Food security related actions are more inclusive, better informed, implemented and monitored"

Joint management: Result 1 will be implemented through the signature of a contribution agreement with FAO in accordance with Article 29 of the Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund. FAO has a clear comparative advantage, as its core mandate is to provide technical assistance to its country members, particularly on policy issues. FAO has implemented the Sudan Institutional Capacity Programme: Food Security Information for Action (SIFSIA) programme which is particularly relevant for this component. The international organisation complies with the criteria provided for in the applicable Financial Regulation and is part of the Financial and Administrative Framework Agreement (FAFA). FAO will deploy technical assistance embedded in the Food Security Technical Secretariat at Central level and in the government strategic planning offices in each targeted State.

Result 2 "Increased productivity and income for rural smallholders in selected project areas"

Direct Centralized management: Result 2 will be implemented on a direct centralised basis by the European Commission itself. To this purpose the EU Delegation will launch calls procedures for the
conclusion of a services contract and grants. In implementing the activities envisaged, the EU Delegation will pay attention that the scope and extend of the activities implemented by the service provider or grant beneficiaries are in compliance with the applicable regulatory framework, in particular Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund.

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegate body under, respectively, decentralised, joint or indirect centralised management.

4.2. **Procurement and grant award procedures**

1) **Contracts**

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by 10th EDF.

2) **Specific rules for grants**

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80% of the action. Full financing may only be applied in the cases provided in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

3) **Joint management**

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

4.3. **Budget and calendar**

The total estimated budget for the project is EUR 23 000 000 financed by EDF Special Funds for Sudan (Council decision 2010/406/EU). The foreseen operational duration is 60 months as from the entry into force of the Financing Conditions.

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<tr>
<th>Categories</th>
<th>Type of contract</th>
<th>EU contribution (EUR)</th>
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<td>Result 1 – Food security related actions are more inclusive, better informed, implemented and monitored</td>
<td>Contribution Agreement with the FAO</td>
<td>8 600 000</td>
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<tr>
<td>Result 2 – Increased productivity and income for rural smallholders in selected project areas</td>
<td>Service contract and grants</td>
<td>12 300 000</td>
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<td>Audits &amp; External Evaluations</td>
<td>Service contract</td>
<td>600 000</td>
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<tr>
<td>Communication and visibility</td>
<td>Service contracts</td>
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</tbody>
</table>
### 4.4. Performance monitoring

Monitoring, evaluation and reporting formats, schedules and responsibilities will be further refined during the inception phase.

### 4.5. Evaluation and audit

There will be a mid-term evaluation of the project aiming at assessing the progress of implementing activities towards delivering the proposed outputs; whether or not adjustments are needed in activities and/or budgetary allocations. A final impact and evaluation study will be performed at the end of the project and will show to what extent the baseline data have changed and whether this was in accordance with the targets set, so that relevant conclusions will be obtained with regards to the performance of the project in terms of the degree of final achievement of the main purpose. This evaluation would also have the purpose of indicating future actions needed to assure continuity of the process developed through project activities.

Expenditure verifications and financial audits will be carried out as stipulated in the applicable rules related to service contracts, programme estimates and contribution agreements.

Under joint management, FAO will be responsible for the audit implementation as regards to the Financial and Administrative Framework Agreement (FAA) signed with the United Nations.

### 4.6. Communication and visibility

A comprehensive communication strategy and appropriate tools will be developed during the inception phase through which relevant information about the project, its impact, outcome and outputs will be communicated to key stakeholders on a regular basis. This will include,

- Target audiences and the communication objectives per target group.
- Communication/visibility activities that will be undertaken
- Responsibilities for the execution of the activities
- Communication tools that will be applied
- Indicators to measure the communication impact.
- Human and financial resources required for the execution of the plan.

Standards for visibility will be derived from the “Communication and Visibility Manual for European Union External Actions” and the “Joint Visibility Guidelines for EU-UN actions in the field”.

Communication and visibility related activities will be implemented through service contracts and as part of the contribution agreements signed with international organisations.
ANNEX II

1. IDENTIFICATION

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<th>Title/Number</th>
<th>South Sudan - Rural Development Programme (SORUDEV) CRIS No SD/FED/023-256</th>
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<td>Total cost</td>
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<td>Method of</td>
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<td>implementation</td>
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2. RATIONALE

Sector context

Following secession from Sudan on 9 July 2011, South Sudan is facing a multiplicity of formidable political, development, and security challenges. The path ahead will undoubtedly be marked by uncertainties, including probably increased tensions and instability.

The maintenance of stability and security, which hinges upon the outcome of the discussions with the North on unresolved Comprehensive Peace Agreement (CPA) and post-CPA issues, (relating mostly to the future status of Abyei and the management of the North/South border) will be critical. In addition, the Government of South Sudan will have to come to grips with inter-tribal fighting, aggravated by a proliferation of arms among the civilian population, internal political rivalries and spoilers, continued Lord's Revolutionary Army (LRA) activities, and the reform of the Sudan People's Liberation Army (SPLA). Humanitarian challenges will also remain huge, including displacement of populations, epidemics and floods.

Although oil extraction provides 95% of the budget revenue, the economy of the vast majority of the population of South Sudan is based on low productive subsistence farming and livestock rearing, with approximately 85% of households cultivating land and around 65% owning livestock. Such subsistence economy does not provide sufficient financial resources for the needs of the new Country, which implies that the Government of South Sudan will rely for some years on oil revenues for financing the provision of security, infrastructure and social services. However, this is not a sustainable situation in the mid-term and South Sudan urgently needs to diversify its sources of fiscal revenue. Budget expenditure, which is currently heavily security oriented, also needs to be made more pro-poor. Social sectors are receiving less than the regional average and the level of basic services delivery is very low and almost entirely dependent on United Nations (UN) agencies, non governmental organisations (NGOs) and religious organizations. The return of hundreds of thousands of southerners from the North will put additional strains on poor communities and public sector capacities.

The government of South Sudan Growth Strategy 2010-2012 identifies agricultural development as the major opportunity for Southern Sudan's sustainable growth. About 50% of the total land surface area is prime agricultural land, while the remaining 50% is composed of marginal arable land, forests, mountains and wetlands. However, the vast potential of the agricultural sector remains largely untapped.
Only 4% of arable land is cultivated and total livestock and fish production are 20% and 10% of their respective potential. South Sudan is subject to a chronic cereal deficit estimated at nearly 0.34 million metric tonnes (MT) in 2010. Forty-seven per cent of the population is food deprived and the World Food Programme (WFP) asserts that over a million people are in need of food assistance every year.

The main causes of food insecurity are human insecurity and its attendant displacement, very low agricultural production and lack of rural infrastructure, which prevents agricultural production being moved from surplus to deficit areas. The public sector action has so far been ineffective in fostering agricultural development and reducing food insecurity.

South Sudan only devotes 1.5% of the national budget to the agriculture sector which is below the regional average and far from the 10% target agreed by African countries within the New Partnership for Africa's Development (NEPAD). A number of sub-sector agricultural policies have been approved, but the government lacks both an overall agricultural policy and a national food security strategy. A National Food Security Action Plan (NFSAP) was approved in 2006 and remains largely unimplemented, although the Food Security Council (FSC) and the Food Security Technical Secretariat (FSTS) foreseen in the Plan were established. The absence of an overall framework makes food security responses fragmented, short-term and externally driven.

State governments are responsible for delivering rural services to the population but they are largely unable to do this. The EU funded a budget and planning capacity assessment (March 2011) which concluded that state officials lack the capacity to set realistic and quantified strategic targets and to cost them. The assessment also noted a disconnect between states' and government planning processes. In addition, lack of timely and reliable data analysis, dissemination and utilization has often been cited as a chronic problem.

In spite of the shortcomings described above, there is a growing awareness among Government of South Sudan leadership about the need to increase budget resources for the agricultural sector and improve food security in order to set the basis for future growth and stability. The latest draft of the South Sudan Development Plan - SSDP (presented to donors in April 2011) recognizes as the main objective of the natural resources sector ensuring food security through sustainable use of natural resources and land management and identifies as priority actions enhancing public sector capacities in policy design, project formulation and implementation and effective coordination of development support provided by international partners. Initial discussions concerning the 2012 budget indicate that allocations for agriculture will substantially increase.

The traditional smallholder sector in South Sudan represents 95% of the overall agricultural production. It is generally characterized by a strong subsistence focus, but there are differences among agro-ecological zones. While the southern green belt area has a history of surplus production before the war that makes it an immediate target for developing commercial export oriented agriculture, smallholders in the ironstone plateau and the eastern and western flood plains combine in different degrees subsistence farming and pastoralist activities. These areas are recognized to have the conditions to produce food crops for their entire population as well as feed-stuff for their enormous herds of livestock, but their potential is not being realised. Production is very low due to poor agricultural practices and

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8 2010/11 Annual Needs and Livelihood Analysis (ANLA, 2011)
9 National Baseline Household Survey (2009)
lack of access to inputs that would allow extending the cultivated areas. In addition, better access to markets is needed in order to provide an incentive for surplus production.

The two factors that Government authorities, project implementers and rural communities as a whole identified as critical to boost agricultural production during the identification phase of the project, were getting access to extension services and introducing animal draught cultivation. The newly produced “National Agricultural and Livestock Extension Policy of South Sudan” (NALEP) calls for the establishment of extension services in the States and the need for the design and development of a system that encompasses the private sector and the NSAs in the delivery of such services. However, South Sudan currently lacks enough trained extension agents to ensure that all counties of the country are covered, let alone further decentralized levels such as Payams or Bomas.

There is no shortage of land for agricultural activities, especially for crop and livestock production. Each smallholder farmer can access ancestral land for farming quite easily from his/her parents or acquire from other relatives and traditional chiefs of the area concerned. In recent years, animal traction has been gradually adopted in Greater Bahr el Ghazal region as an effective agricultural practice supporting farmers to boost food production by means of increasing the area under cultivation through the use of a relatively inexpensive and easily replicable technology and discussions with farmers in the area during the identification of the project proved that there is an increasing demand for the provision of ox-ploughs to expand areas under cultivation.

Rural road network development is considered an important precondition for agricultural development, economic expansion and social stability. The Government of South Sudan recognizes the link between improvement of road access and agricultural development and plans to capitalize on improved rural infrastructure as a means to expand agricultural production, increase rural market access and stimulate income generation for rural farming households. To this end the Ministries of Agriculture (MAF) and Transport and Roads (MTR) are leading a sector working group that also involves donors and implementing agencies. The group is preparing an analytical, phased approach to a prioritized feeder road construction, rehabilitation and maintenance programme. The group, looking in particular at the impact of feeder roads in agricultural production and food security, has already identified some 5,000 km. of rural feeder roads of which 1,000 have been prioritized for immediate action.

Taking into account the above, this project will aim at improving food security in the areas of Western Bahr El Ghazal, Northern Bahr El Ghazal, Warrab and Lakes through a three-pronged approach: improving food security strategic planning and policy implementation capacities, increasing the agricultural production of rural smallholders and facilitating their access to markets through an improved rural feeder road network.

Lessons learnt

There have been quite a number of evaluations of international aid to South Sudan. The overall sense is that no sufficient progress in the reconstruction of the country has taken place in the transitional post-CPA period (2005-2011). Over estimation of institutional capacities, not enough flexible procedures to work in a post-conflict context and fragmentation of aid have been part of the reasons mentioned to explain shortcomings. In the rural development sector, the major conclusion is that international aid has made insufficient progress towards achieving food security. In particular, the increase in agricultural production is seen as low. A number of specific lessons can be mentioned:

- The geographical coverage of agricultural programmes is still poor and their impact is localised and short-term oriented at the expense of the necessary transition towards more long-term and sustainable modalities of aid.
• Ineffective service delivery to the population. Absence of food security policies or regulations in place, and of influence over the implementation of projects run by non state actors. The scarce resources available are not efficiently used because of a lack of planning and inefficient allocation of budgets. This has resulted in the absence of coordination over the last few years and to an erratic distribution of projects, which is neither uniform nor blanket. As a result, there are whole communities, Bomas and even whole Payams that have never received any services.

• There has been no significant support for the development of markets, to the extent that most marketing infrastructure is underdeveloped and the big merchants are predominantly non-Southern Sudanese.

Recent evaluation of EU programmes allows drawing additional lessons:

• The evaluation of the Sudan Institutional Capacity Programme: Food Security Information for Action (SIFSIA) South indicated that the project succeeded in facilitating the establishment of the Southern Sudan Food Security Council (FSC) and the Food Security Technical Secretariat (FSTS). However, the mid-term evaluation stressed the need to place greater emphasis on regional capacity-building. The evaluation called for greater emphasis on food security policy analysis in order to further influence decision making.

• The mid-term evaluation of the Sudan Productive Capacity Recovery Programme South (SPCRP South) pointed out low delivery capacity of the project at farm level, which can be attributed to the absence of a clear extension curriculum, including appropriate training tools, and the reliance on Farmers’ Field Schools (FFS) as the sole extension methodology. Instead, less intensive extension methodologies should have been applied alongside a wider dissemination of technical know-how and practical information.

Taking into account the above, South Sudan Rural Development Programme (SORUDEV), while maintaining previous support to food security information systems, will focus on improving capacities to formulate agricultural development and food security priorities and coordinate the implementation of subsequent actions. The project will in particular make sure that appropriate extension packages are designed and reach the smallholders and will facilitate market development by improving rural infrastructure.

Complementary actions

The project will build on achievements by ongoing Système de Stabilisation des Recettes d'Exportation (STABEX) programmes now entering the final phase of implementation. Particularly relevant are the SIFSIA and the SPCRP programmes.

• SIFSIA South is in the process of building institutional capacities to establish an information-based decision making system that provides food security policy and strategic guidance. Key among its achievements has been the establishment of the Food Security Council (FSC) and the Food Security Technical Secretariat (FSTS). The FSC is still not operational though, as a Secretary General and secretariat staffs have not been appointed. The FSTS, although still dependent on external technical assistance, is already able to provide guidance, coordination and technical backstopping to most of the outputs of the policy support component of the present project.

• SPCRP is building the human, organizational and physical capacities of to provide agricultural services to rural areas. Since SORUDEV will be implemented in the states where SPCRP is operating, it will build on SPCRP’s previous work, including initial work to develop an approach towards extension services. SPCRP has laid a foundation on which the current project can build: physical infrastructure has been established, transportation provided and human capacities strengthened.
The EU-funded Food Security Thematic Programme currently supports 20 projects implemented by non-governmental organisations (NGOs) across South Sudan. The focus is on food security of poor rural smallholders, mainly on extension for crop production, livestock support and income generating activities, which are expected to improve household consumption and increase the income of women and other vulnerable groups in particular. SORUDEV will support sector coordination so that ongoing NGOs projects that provide extension services are aligned with the extension approaches and packages approved by the states.

Other donor-funded projects that are complementary to SORUDEV are the United States Agency for International Development (USAID)-funded Food Agribusiness and Rural Markets (FARM) project, which covers the Equatoria region and is developing a set of policies complementary to extension and food security. USAID is also funding the "Generating Economic Development through Microfinance in Southern Sudan" (GEMSS) project, which by providing access to microfinance for rural smallholders, can complement efforts that SORUDEV will make to introduce agricultural inputs and new technologies such as ox-ploughs.

The Emergency Road Repairs Programme (ERRP) is funded by the multi-donor trust fund and has opened primary road corridors covering about 3,000 km. Feeder roads funded by SORUDEV will be connected through the primary network funded by ERRP. Also, since 2006 USAID is supporting United Nations Office for Project Services (UNOPS) under a Cooperative Agreement to carry out the Sudan Accelerated Infrastructure Programme including construction and rehabilitation of selected roads including rural roads in Southern Sudan. To date, more than 500 km of road networks have been restored.

Donor coordination

The main donor coordination forum is the quarterly Donor Forum, which discusses general aid issues and overall government macro economic performance. Sector coordination takes place through the budget sector working groups (BWSGs) which bring together Federal line ministries, regional representatives and donor representatives in order to discuss sector budget allocations and sector plans. South Sudan is currently finalizing a new aid strategy that intends to review existing donor coordination mechanisms in order to revitalize them. BWSGs in particular have proven to be quite ineffective, as there is no participation at sufficient senior level, nor appropriate sector plans to guide the process. Also, the vertical communication is weak, as regions have little input in BWSGs' discussions and their demands are not articulated in the sector plans.

In addition, there are informal donor coordination groups in several sectors. The EU chaired the natural resources donor group until December 2010. The group has served as a forum to share information and has in particular finalized a sector donor mapping exercise. The group also coordinated inputs into the drafting of the government's agricultural extension policy and ensured donor buy-in to the final product. The EU has also co-chaired the South Sudan Development Plan working group on natural resources, which coordinated donor input into this sector of the Plan. At regional level, institutional weaknesses have prevented from playing a role in coordinating agricultural and food security actions.

Concerning rural infrastructure, a strong coordination mechanism has been put in place for the feeder roads sub-sector. There is a Feeder Roads Steering Committees (FRSC) including representatives of the main donors (i.e. EU, United Kingdom Department for International Development (DFID) and USAID). The FRSC role is to provide policy guidance and coordination of the sub-sector stakeholders. In addition, a Feeder Road Technical Committee (FRTC) is responsible to provide support to the Steering Committee for the identification and prioritization of feeder roads, the development of common technical standards and specifications and monitoring and reporting mechanisms.

Bearing in mind the above, the project formulation mission has paid particular attention to being as inclusive as possible. Meetings were held with public and private sector stakeholders, non state actors (NSAs) and interested donors. The initial design was presented to the main stakeholders on 14 April 2011 and the feedback provided was incorporated in the project's design.
3. **Description**

South Sudan Rural Development Programme (SORUDEV) aims at reducing food insecurity in the areas of Lakes, Western Bahr el Ghazal, Northern Bahr el Ghazal and Warrab. Food security policy implementation and strategic planning capacity, (2) increasing the agricultural production of rural smallholders and (3) facilitating access of smallholders' agricultural production to markets.

**Objectives**

The overall objective of the South Sudan rural Development Project is to contribute to improved food security in the areas of [Lakes, Western Bahr el Ghazal, Northern Bahr el Ghazal and Warrab](#).

The project purpose is to improve the efficiency of food systems in the targeted areas.

SORUDEV will target the areas of Lakes, Western Bahr el Ghazal, Northern Bahr el Ghazal and Warrab. The areas are selected taking into account complementarities with other donors' areas of intervention: USAID in Equatoria and Jonglei and Canada in Upper Nile. In addition, the EU has the comparative advantage of having already funded the Sudan Productive Capacity Recovery Programme (SPCRP) in the targeted areas.

The Spanish Cooperation Agency (AECID) has expressed interest in co-funding with EUR 6,000,000 the policy component of the project (result 1). If this is finally the case, the project area would be extended to Unity.

SORUDEV will have three components. The first component will put in place cross-sector food security coordination structures to bolster the capacity to formulate sector policies, strategies, plans, and budgets. The second component will provide support in establishing an extension system and introducing animal traction. The third component will improve the rural feeder road network.

**3.2. Expected results and main activities**

The expected results of this programme will be:

3. Improved Food security policy, planning, programming and decision making

4. Increased smallholders' agricultural production in selected project areas

5. Rural feeder road network and state roads' maintenance capacity increased in selected states

**1. Improved Food Security Policy, planning, programming and decision making**

This will be done by strengthening the capacity to prioritize and formulate food security policies and strategies based on well-researched evidence and through inclusive and consultative mechanisms in which lower-level governance structures and major non-state actors become part of the prioritizing and decision-making processes. It will build on previous work done by the SIFSIA project, which helped establish the Food Security Technical Secretariat (FSTS).

Activities for this result will be implemented through joint management (contribution agreement with the Food and Agriculture Organisation (FAO)) and will include:

1.1. Establish an effective Food Security institutional framework.

This activity will consolidate the institutional and human capacity of the relevant institutions. The Food Security Council Secretariat shall be strengthened to steer food security policy, while the Food Security Technical Secretariat will provide comprehensive and timely analysis of food security information for decision makers including the Food Security Council (FSC). In addition to the FSTS, the Secretariat of the FSC is also expected to have additional units exclusively dealing with food security-related policy issues (development, humanitarian, etc) and to table a policy agenda for FSC decision. The FSC
Secretariat will be staffed with national and international experts to ensure efficient and effective functioning. Details on the structure and staffing of the Secretariat shall be elaborated during the inception phase.

1.2. Develop the capacity to review, plan, budget and monitor Food Security policies and strategies.

This activity will bolster the capacity of state line ministries so that they are able to formulate their sector policies, strategies, plans and budgets taking into account the state’s food security priorities and the context in the counties.

1.3. Establish an effective cross-sectoral food security institutional framework linked to South Sudan national level

Food security is multi-dimensional and hence must be addressed through an inter-sectoral institutional platform. Currently, such platforms are either absent or weak and not organized in any systematic way. The project will ensure that this inter-sectoral set up is well integrated upwards, downwards and horizontally.

1.4. Strengthen food security information system so that it supports decision making.

The following components of food security information systems will be strengthened: agro-climatology and livestock/pasture monitoring, food and livestock market information monitoring, health and nutrition monitoring, and integrated food security analysis (including International Planning Committee)

SORUDEV builds on experience gained so far through the (SIFSIA) programme in putting in place a food security information system.

2. Increased smallholders' agricultural production in selected project areas

This result will be achieved by putting in place a functional extension service that effectively reaches smallholders. The project will in particular support the introduction of animal traction as a means to increase the surface cultivated by smallholders.

Activities for this result will be implemented through centralized management (service contract and grants to non governmental organisations (NGOs)) and will include:

2.1. Design and train a standardised extension service in targeted states

This activity will provide technical assistance to design the extension services by identifying needs, proposing a structure able to meet them and identifying and recruiting the necessary candidates to fulfil the structure proposed.

The technical assistance will also support in preparing the terms of reference for the selection of NGO(s) that will be in charge of developing the extension packages according to the specific production possibilities existing in each area concerned. The NGO(s) will also be responsible for organizing the training of the recruited extension agents and of publishing the extension packages in a manner that makes field use and dissemination practicable (extension manuals, etc.). The content of the extension packages will be reviewed every year in order to incorporate feedback suggestions and the results of potential action research established by other projects.

2.2. Delivery of extension services to smallholders

During an initial and transitional phase while the state extension service is designed and candidates recruited, the NGO(s) will ensure the delivery of the extension packages using their own human resources and methodologies. In doing this, it will establish demonstration farms in each targeted county.
As trained extension agents become available, the NGO(s) will gradually handover to them extension activities while still being responsible for the on-the-job coaching of the new staff and of ensuring the standardisation of approaches of all projects active in the selected areas.

2.3. Facilitate the adoption of animal draught cultivation throughout the targeted areas

This activity will include the development, introduction and adoption of a specific extension package for animal draught cultivation, including the training of specialized extension agents in animal traction training centres.

In the process, appropriate methodologies for the use of animal traction will be validated. The technical assistants will support monitoring progress and developing adequate plans for farmers to access ploughing equipment and spare parts locally and affordably, thus contributing to the expansion and the sustainable use of this technology.

3. Rural feeder road network and state roads maintenance capacity increased in selected states

This result will be achieved by constructing or repairing at least 180 Km of rural feeder roads and building the capacity to maintain them.

Activities for this result will be implemented through joint management (contribution agreement signed with the World Food Programme (WFP)) and will include:

3.1. Construct/rehabilitate 180 km of all weather feeder roads that provide year round service to the rural population.

Roads will be selected within the framework of defined selection criteria agreed by all participant donors, including the EU. In implementing works, a labour-intensive approach will be favoured, although it is unlikely to be sufficient to make the roads sustainable due to the technical challenges posed by the terrain. Implementing partners will therefore need to balance intensive labour with mechanized support.

3.2. Establish a maintenance system for the existing and the proposed rural roads.

The maintenance mechanism will be based on a combination of community based activities and maintenance contracts. In addition, the works contractor will provide maintenance services for one year after works completion.

This component will be supporting a WFP Special Operation that intends to construct/repair at least 500 km of rural roads, with an estimated cost of 80.6 million USD.

Risks and assumptions

Main assumptions are: (1) Peace prevails and security is maintained in target areas; (2) Commitment to food security and political will exists to establish a food security institutional set up, (3) Appropriate allocation of sufficient funds to cover salaries and operational costs of extension agents and for feeder roads maintenance.
Main risks are: (1) budget transfers decrease if public deficit increases (2) low or irregular rainfall conditions hamper increase in production; (3) smallholders reluctant to adopt animal traction in some of the targeted areas.

**Cross-cutting Issues**

**Climate change:** SORUDEV will build capacities to formulate adaptation and mitigation strategies relevant to the local contexts. Flooding, in particular, has been frequently observed across the Greater Bahr el Ghazal area during recent years causing a severe impact on agriculture. The extension packages to be designed by the project will promote adoption of more resistant seed varieties where available and affordable as well as other adaptation measures. Also, the establishment of an all weather rural roads network will facilitate assistance to communities affected by flooding and reduce isolation of part of the population.

**Environmental sustainability:** Road improvements may have significant adverse, long-term environmental impacts. Many of them can be avoided or minimized by applying environmentally sound design, construction, and operation and maintenance practices. To this end an environmental assessment will be carried out as part of the roads design phase. It will provide indications to be followed during the implementation and maintenance phases.

**Gender equality:** Women engage in food production, storage and preparation for the family, and may do up to two thirds of the farm labour. As many of the men died during the war, women play a significant role in agricultural production and management of household consumption of food. The project will explore ways of improving traditional practices, in particular those aimed at facilitating the work being done by women such as weeding or the post-harvest practices. Female headed households and other women often participate in joint-farming systems, and by this communal arrangement the farm work load is made simpler and lighter. In this way women can generate income through small-scale animal husbandry activities, small business and by processing food substances such as oil and butter. Female headed households and women's groups will therefore be specifically targeted under this project, particularly in terms of facilitating access to small equipment that may help improve productivity and income from a variety of livelihood activities. In addition, the project will establish measures promoting greater gender equality in labour-based road maintenance and construction, providing substantial social benefits to rural households and communities. To this end the project will ensure equal employment opportunities focusing on community participation of both men and women and establishing recruitment procedures to have not less than 50% women employed in the construction and/or maintenance of new feeder roads.

**Conflict prevention:** Feeder roads are expected to contribute to improved stability and security for rural communities. Feeder roads will also allow people access to their elected representatives so they can request support for their community needs.

**Adoption of good governance principles and human rights:** The project puts good governance at the centre of its focus, as it aims at establishing effective mechanisms for food security and agricultural extension.

**Stakeholders**

**The main beneficiaries** of the project will be the rural smallholders living in the areas of Lakes, Western Bahr El Ghazal, Northern Bahr el Ghazal and Warrab. In these targeted areas, the population are predominantly pastoralists who co-exist with sedentary agriculturalists, both groups practicing agro-pastoral production of food crops and livestock. Agro-pastoralism should result in a balanced food intake, with livestock products supplementing cereals to meet nutritional needs. However, the system is still based on traditional crop and livestock production, without involvement of innovative agro-pastoral technologies, leading to chronic food shortages and dietary imbalances.
Some farmers across the region, particularly in Lakes and Warrab, are gradually shifting from land cultivation using simple tools to animal traction. Although the concept of using oxen is not generalized because oxen have high traditional cultural values attached to them, this is slowly changing as the smallholder farmers have started to see the benefits of animal traction in terms of increased acreage directly resulting in increased production.

Other stakeholders include the Food Security Technical Secretariat (FSTS), as information and data which will be generated will feed into the national food security information system; The project will also establish close links with private sector suppliers in order to facilitate the introduction of animal traction equipment. Development partners with which the project will coordinate activity implementation include WFP, DFID, USAID, the Canadian International Development Agency (CIDA), the European Commission, Italy, the Netherlands and the World Bank. National and international NGOs are responsible for the delivery of the majority of agricultural support to rural smallholders in the region, including extension services. The project intends to capitalise on the experience developed by NGOs over the last few years. NGOs are expected to continue playing an important role in the delivery of extension services, in parallel to a gradual engagement of the regions in the provision of such services.

All stakeholders mentioned have been extensively consulted during the formulation of the project.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project is implemented through direct centralised management for Result 2 and Joint management with the Food and Agriculture Organisation (FAO) and the World Food Programme (WFP) for the Results 1 and 3 respectively.

Joint Management: Result 1 and 3

Joint management through the signature of two separate agreements with two international organisations, the FAO for result 1 and the WFP for result 3 in accordance with Article 29 of the Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund. The international organisations comply with the criteria provided for in the applicable Financial Regulation. The FAO and the WFP are covered by a Financial and Administrative Framework Agreement (FAFA) concluded with the Commission. Two Standard Contribution Agreements will be signed, one with the FAO and one with WFP.

FAO is the natural implementing partner for Result 1: FAO has a clear comparative advantage, as its core mandate is to provide technical assistance to its country members, particularly on policy issues. In addition, FAO has implemented the Sudan Institutional Capacity Programme: Food Security Information for Action (SIFSIA), which is particularly relevant for this component.

WFP has been selected as the implementer of a rural feeder road comprehensive programme to which Result 3 will contribute. WFP has demonstrated a strong capacity to implement and monitor road projects in South Sudan. The WFP is, in particular, the principal international organisation of the road task force that has established the priorities and technical standards for the development of rural transport infrastructure in South Sudan.

Direct centralised management: Result 2


Result 2 will be implemented through a service contract and grant agreements. The service contractor will be responsible for providing technical assistance for the implementation of the activities in accordance with annual work plans approved by the European Commission. In addition, the European Commission will organize calls for proposals in order to award grant contracts for, respectively, the management of the extension services (training programme for extension agents, design and dissemination of extension packages) and the introduction of animal traction techniques components.
The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

4.2. **Procurement and grant award procedures**

*a) Centralized Management*

1) *Contracts*

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by 10th EDF.

2) *Specific rules for grants*

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

*b) Joint Management*

All contracts implementing the action through an Agreement with an international organisation are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

4.3. **Budget and calendar**

The total estimated budget for the proposed actions is EUR 42 000 000, shall be financed from the Special Funds for Sudan as per the Council Decision 2010/406/EU.

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<th>Categories</th>
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<td>Result 2 – Increased smallholders’ agricultural production in selected project areas</td>
<td>Service and grant contracts</td>
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The foreseen operational duration is 60 months.

4.4. Performance monitoring

Monitoring, evaluation and reporting formats, schedules and responsibilities will be further refined during the inception phase.

Under joint management, FAO and WFP, reporting will adhere to the relevant provisions that are contained in Article 2 of the Financial and Administrative Framework Agreement (FAFA) complemented by the General Conditions of the Standard Contribution Agreement with an international organisation. The information to be provided in the reports and their schedule will be set out in the specific agreements to be signed with FAO and WFP.

4.5. Evaluation and audit

There will be a mid-term evaluation of the project aiming at assessing the progress of implementing activities towards delivering the proposed outputs; whether or not adjustments are needed in activities and/or budgetary allocations. A final impact and evaluation study will be performed at the end of the project and will show to what extent the baseline data have changed and whether this was in accordance with the targets set, so that relevant conclusions will be obtained with regards to the performance of the project in terms of the degree of final achievement of the main purpose. This evaluation would also have the purpose of indicating future actions needed to assure continuity of the process developed through project activities.

A total of EUR 500 000 has been earmarked for audit and evaluations.
The Authorising Officer can use this provision to organise an independent audit of expenditure under this Agreement.

Under joint management, the FAO and WFP will be responsible for the audit implementation as regards to the Financial and Administrative Framework Agreement (FAFA) signed with the United Nations.

4.6. Communication and visibility

A comprehensive communication strategy and appropriate tools will be developed during the inception phase through which relevant information about the project, its impact, outcome and outputs will be communicated to key stakeholders on a regular basis. This will include:

- Target audiences and the communication objectives per target group.
- Communication/visibility activities that will be undertaken
- Responsibilities for the execution of the activities
- Communication tools that will be applied
- Indicators to measure the communication impact.
- Human and financial resources required for the execution of the plan.

Standards for visibility will be derived from the “Communication and Visibility Manual for European Union External Actions” and the “Joint Visibility Guidelines for EC-UN actions in the field”.

Communication and visibility related activities will be implemented through service contracts, grant agreements and as part of the contribution agreements signed with international organisations.
ANNEX III

1. IDENTIFICATION

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2. RATIONALE

Sector context

In January 2011, the South Sudanese voted overwhelmingly for secession from the North. The peaceful and credible referendum was a remarkable achievement. However, a number of overwhelming challenges face this fragile new country since it formally declared its independence on 9 July 2011. Stabilisation and security challenges stemming from continued tensions with the North, volatility of the North/South border area, inter-communal fighting linked to cattle-raiding and competition for scarce resources, internal political rivalries and an over-sized military, are compounded by very weak capacities of governance and rule of law institutions and coupled with humanitarian and socio-economic challenges.

Since the Comprehensive Peace Agreement (CPA) of 2005 the government of South Sudan has been working to establish key governmental institutions and create a viable legal framework, in accordance with the Interim National Constitution (INC) and the Interim Constitution of Southern Sudan (ICSS). Despite a wide array of obstacles relating to the aftermath of two decades of civil war, and major economic and social challenges, some progress has been made. A basic legislative process is in place, involving key institutions such as line ministries, the Council of Ministers, the Legislative Assembly, and the Office of the President. The Judiciary's structure and mandate has been established. The Ministry of Justice\(^\text{10}\) (MoJ) is the prosecuting authority, leading investigations, providing legal advice to the executive and drafting and reviewing legislation. Systems have also been developed to improve accountability and oversight structures such as the Audit Chamber, the South Sudan Anti-Corruption Commission (SSACC), the South Sudan Human Rights Commission (SSHRC) and respective parliamentary committees.

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\(^{10}\) Prior to independence known as the Ministry of Legal Affairs and Constitutional Development (MoLACD)
Despite constant efforts devoted by the government of South Sudan together with development partners to build the governance structures and to improve their capacities, considerable work remains in developing sufficient checks and balances, in improving legislative processes, enhancing access to justice and legal aid, ensuring adequate protection of fundamental human rights and restoring public confidence in governance institutions.

The legislative process is facing bottlenecks not only due to the weaknesses in MoJ but also in the ministries initiating draft legislation and in the South Sudan National Legislative Assembly (SSNLA) and as a result the legal framework continues to be incomplete. A Transitional Constitution for South Sudan is at hand and will be followed by a permanent constitution following an interim period. Rapid drafting/reviewing and passing of essential legislation in preparation of state secession after 9 July 2011 will therefore be necessary.

A shortage of qualified staff and lack of resources and training for prosecution, as well as a shortage of qualified lawyers in general continues to constrain the MoJ in fulfilling its mandate. In addition, most practicing lawyers have been trained under the Northern Sudanese system (Sharia law) and in Arabic and face difficulties under the new system encompassing Common Law in English. The bodies responsible for law enforcement and justice in South Sudan are still institutionally weak. The justice sector suffers from the lack of qualified personnel and important training needs of existing judges, huge backlog of cases, inaccessibility to the majority of the population, a legal system still to be refined and tensions between customary and statutory law prevailing. Access to libraries, legal texts and precedents is very limited for the whole sector. Courts lack sufficiently trained support staff. Poor state of infrastructure, lack of transportation and communication facilities is an additional challenge for the justice sector.

Human rights and anti-corruption are new thematic areas cross-cutting the work of all legal professionals in South Sudan today and increasingly so in the future. However, police investigators, lawyers, prosecutors, judges, and parliamentarians who work in the relevant committees, are constrained by limited knowledge of human rights concepts or awareness, and lack the required skills to work on anti-corruption cases.

The needs for strengthening of service delivery in the Governance, rule of law/ justice sector are immense. The government has made some efforts to establish priorities, emphasizing the need for continued capacity building in core governance functions. The 2011-2013 draft South Sudan Development Plan (SSDP), which is still a work in progress, is composed of four pillars, including “Conflict prevention and security”; and “Governance”. The core objective of the Governance pillar is ‘to achieve a transparent and accountable state, managed by a professional and committed public service that provides and delivers public services efficiently and equitably’\(^\text{11}\). The overall objective of the Conflict Prevention and Security pillar of the SSDP strives to provide "equitable access to justice and maintain law and order through institutions that are accountable, adequate, affordable and appropriate in their structures and humane in their action"\(^\text{12}\).

Against this fragile and challenging context with huge prevailing needs, EU intervention should be focussed on ensuring continuity and developing longer-term engagement with the institutions involved in justice, while improving transparency, accountability and protection of basic human rights, as a means to help creating better conditions to address the basic needs of the most vulnerable populations in the areas of agriculture, health and education. The EU aims to assist these institutions in their quest to become fully functioning professional institutions and to meet their basic obligation of serving the people of South Sudan. Three institutions are

\(^{11}\) South Sudan Development Plan 2011-2013, Governance Pillar
\(^{12}\) South Sudan Development Plan 2011-2013, Conflict Prevention and Security Pillar, p. 9
targeted by this intervention: the Ministry of Justice, the Judiciary of South Sudan (JoSS), and the South Sudan National Legislative Assembly. Capacities in all targeted institutions are still weak, institutions struggle to deliver against their basic mandates and citizens are not served for their needs of human security, rule of law and justice. These issues become even more critical upon independence, when stronger systems become necessary to ensure greater public confidence and to respond to the even higher expectations for peace dividends.

Training, including in a number of common areas, specific technical assistance areas, as well as infrastructural development have been identified as priority areas for all institutions. Common cross cutting training themes, needs and interest for training programmes of various ‘legal professionals’ and law enforcement officials throughout the governance system have also been highlighted.

The proposed action is fully aligned to the objectives and outcomes of the SSDP, and will contribute in particular to the attainment of the following ones:

- Providing a legal framework for South Sudan and ensuring speedy access to justice for all;
- Ensuring accountability, transparency and zero tolerance of corruption;
- Greater adherence, respect and enforcement of human rights in South Sudan;

Lessons learnt

For the past six years, the EU has supported a range of projects in the field of governance including capacity enhancement and infrastructural support under its Transitional Programme for Post-Conflict Rehabilitation and Capacity Building in Sudan (RECAP-EUR 70 000 000). The EU is also currently funding through the Instrument for Stability (IFS), short-term technical advisors to the MoJ and SSNLA. Although at early stages, technical assistance (TA) outputs will continue to guide the EU's current and future interventions.

Evaluation of past assistance has pointed to certain shortcomings in the overall impact and sustainability of isolated and scattered projects with a short time span. Even if trainings have been beneficial to individuals, long term follow-up mechanisms to monitor actual use of the acquired skills in the work place have not been sufficiently included in programmes.

A key finding of the institutional analysis carried out by the Special Funds for Sudan (SFS) identification experts\(^4\) indicated that previous and existing programmes lacked an underlying and coherent strategy resulting in unconnected projects which where destined to have limited impact.

Programmatic coherence will allow for synergies to emerge thereby contributing to increased aid effectiveness. It is essential to ensure that project conception adopts a participatory

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\(^4\) Inception report of EU Identification Experts
approach and is owned by the stakeholders so that it offers opportunities to those most likely to benefit from them and targets actual needs.

It is important also to highlight the difficulties experienced in the implementation of projects in South Sudan. In general, implementation is often slow, with concrete results spreading over time.

Continued dialogue and consultation between stakeholders is imperative in ensuring smooth implementation of the envisaged programme.

**Complementary actions**

**On-going EU Actions**

The EU is currently supporting a 19-month Capacity Building Programme for the Judiciary of South Sudan (EUR 499 961) implemented by the International Development Law Organization (IDLO). The project aims to enhance the skills and knowledge of County Court and High Court judges in civil and criminal procedure, rules of evidence, selected areas of South Sudan substantive legislation, legal English and judgment writing skills. So far all 77 county court judges and nine high court judges have been successfully trained. IDLO is to develop a capacity building plan and a unit of judicial trainers and provide extensive legal resources to the Judiciary.

Additionally, the EU is supporting the construction of accommodation and office facilities for the staff of the MoJ and JoSS in the three States of Eastern Equatoria (Torit), Jonglei (Bor) and Warrap (Kwajock) (EUR 3 200 000). Both interventions should be completed by February 2012.

The European Instrument for Democracy and Human Rights (EIDHR) and non state actor (NSA) programmes will work to strengthen the role of grassroots civil society organisations, thereby being directly complementary to the implementation of this Action.

**Other donors**

A wide number of actors are engaged in the sector and are supporting the institutions targeted by this intervention (see annexed table of ongoing and planned activities of key donors). The EU intervention will contribute to the principles of harmonisation and coordination with other development partners' interventions by ensuring complementarities and the establishment of synergies in the sector through regular dialogue and information exchange.

**Donor coordination**

Donor Coordination mechanisms for the sector have had varying degrees of success over the years. In the past year two groups have been formed, an European Union/United Nations Development Programme (EU/UNDP) chaired Development Partners’ Group - Democratic Governance (DPG-DG) and Development Partners coordination meeting. However, the two groups do not meet regularly.
The Rule of Law Budget Sector Working Group brings together all major stakeholders with a view to identifying funds plans and coordinating funds for the coming year.

There are many ongoing development partners’ interventions in the sector but there is no harmonized way of sharing information and coordinating planned activities. Coordination is ad hoc and information used is often based on personal relationships and bilateral discussions with the beneficiaries. This is an area that should be improved upon given the increasing number of actors entering the sector once the new state is officially formed.

3. DESCRIPTION

Drawing from lessons learnt (short term interventions with limited impact), the EU aims to focus on developing sustainable, long term engagement in the areas of legal training, justice strengthening and promotion of human rights and accountability. By tackling these issues, the project will contribute to the creation of the necessary institutional pre-conditions for addressing the basic needs of the most vulnerable population in the most effective, accountable and transparent manner.

Objectives

The overall objective: To strengthen the selected governance sector institutions to better achieve their mandates, with particular focus on anti-corruption and human rights, with a view to favouring the establishment of an institutional framework able to guarantee the effective, accountable and transparent delivery of basic services to the population.

The Specific objectives are:

- To establish sustainable legal training capacity;
- To enhance judicial service delivery;
- To reinforce the legislative, oversight and representative functions of the South Sudan National Legislative Assembly and to reinforce the administrative capacity of the State Assemblies;

Expected results and main activities

3.2.1 Component 1: Establishment of permanent legal training capacity

This component aims to establish a Legal Training Institute (LTI) in which legal professionals can either take post-graduate qualifying exams or undertake continuous professional development to enhance their existing legal knowledge and skills. The concept of the LTI dates back to the 1990s and since then the idea gained momentum as a result of the Comprehensive Peace Agreement of 2005. The overall duration of the LTI component will indicatively be four years. The construction and resourcing of the LTI is likely to be complete in three years and will be implemented through a contribution agreement with UNDP, while the training activities will commence in parallel and continue to be supported for one additional year following the completion of the LTI facilities. The training activities will be implemented through a direct award grant contract with IDLO in view of the fragility and crisis situation in South Sudan.

Expected results:

1. Permanent legal training capacity established and operational,
2. Institutional and administrative capacities enhanced.

Activities:

1.1 Establishment and implementation of the operational plan for the setting up of the LTI.

1.2 Design, works and supervision of the construction of the LTI building and supply of equipment.

2.1 Finalise training programme development, conduct training courses, monitoring and evaluation, support research, publications and library development.

3.2.2 Component 2: Strengthening the Judiciary of South Sudan (JoSS)

The Judiciary of South Sudan has already indicated that it does not wish to have its judges trained at the LTI and instead have plans to establish their own training unit. The EU is currently supporting the development of a Capacity Building Strategic Plan for JoSS, which will include the establishment of this unit. Until such a unit is fully operational, a programme of technical assistance, legal training, capacity building and institutional resource development (libraries, legal documentation, etc.) will be provided in line with the JoSS 2011-2014 action plan. The JoSS is in the process of undertaking an evaluation of the current capacity building programme. The outcomes of this evaluation, together with the Capacity Building Strategic Plan currently being developed and the needs assessment envisaged during the inception phase of this programme will help to inform and further refine the content of technical assistance and training to be provided. Furthermore, the envisaged needs assessment will also look into the possibility of improving access to justice by considering jointly with JoSS, the use of information campaigns, procedural audits, user surveys etc.

Additionally, the lack of sufficient infrastructure seriously hampers the fulfilment of JoSS’ mandate and has therefore been identified as a priority area for development; major gaps in the existence of appropriate court houses, office and accommodation premises for judges are a serious hindrance for the discharge of judicial duties. Even with offices and court houses, JoSS is not in a position to deploy people to the regions in the absence of accommodation facilities, consequently leading to the absence of a statutory justice system in these areas. In South Sudan, judges are provided with residences. These residences are managed by the concerned institution and are only available to the official for as long as they are serving in their official capacity.

Key partners providing infrastructure support to date have been the EU and United Nations Development Programme (UNDP), both of whom have been asked to continue with their support.

Priority locations for support will be identified, taking into consideration ongoing work by UNDP.

The overall duration of this programme component will indicatively be three years. The infrastructure component will be implemented through a contribution agreement with UNDP. The training component will be implemented through a direct award grant contract with International Development Law Organization (IDLO) in view of the fragility and crisis situation in South Sudan.

Expected results:
1. Institutional and administrative capacities improved through enhanced skills.

2. Fully functioning court houses and accommodation buildings constructed for judges in three selected areas.

**Activities:**

1.1 Finalise training needs assessment, develop response strategy, conduct training, information campaigns, user surveys, and provide technical assistance and support publications and library development.

2.1 Design, works and supervision of the construction of court houses and accommodation in three priority locations.

2.2 Supply of equipment and furniture for court houses and accommodation.

**3.2.3 Component 3: Capacity building support to the South Sudan National Legislative Assembly (SSNLA) and Regional Assemblies:**

Building on previous EU support, the EU will continue to provide general and specialised training, technical consultancies, study visits, legislative support, participation in parliamentary conferences, provision of technical equipment, press and media actions and publications. Special emphasis will be placed on strengthening the capacities of the Public Accounts Committee (PAC), the Gender Committee and the Human Rights Committee in Parliament due to the cross cutting themes of anti-corruption, gender and human rights principles in the EU's intervention.

The envisaged programme falls within the framework of the Five Year Strategic Plan 2011-2016 of the SSNLA, which lays down six strategic objectives to ensure that the National Legislative Assembly delivers its mandate in a fair, transparent, responsive and effective manner\(^\text{13}\). The Action is also tailored on the basis of a detailed training needs assessment for staff of the Assembly that was conducted in August 2011.

Since 2007 the EU has implemented a comprehensive capacity building programme through the Association of European Parliamentarians for Africa (AWEPA). Support has included specialised and general trainings, legislative support, technical consultancies, study visits and attachments and provision of equipment.

The overall duration of this programme component will indicatively be two years. This programme component will be building upon continuous EU support and specifically upon a

\(^{13}\) Southern Sudan National Legislative Assembly Five Year Strategic Plan 2011-2016.
one year gap-bridging project funded by the Dutch Ministry of Foreign Affairs which started in early 2011. It will be implemented through a direct award grant contract with AWEPa.

**Expected results:**

Legislative, oversight, representative and administrative capacities of the relevant institutions strengthened.

**Activities:**

1.1 Technical support in legislative drafting, scrutiny of bills, effective oversight skills and study visits.

2.1 Training on budget analysis and policies, human rights, gender and anti-corruption.

3.1 Involvement of print and electronic media in the activities of the SSNLA, community outreach programmes and fostering partnerships between Members of Parliament (MPs) and Civil Society.

3.2 Production of publicity tools such as brochures, website, handbooks and manuals to promote communication.

3.3 Participation of members of the Women Caucus in international conferences on gender issues.

4.1 Development of human resource policies, provision of skills based training to staff and attachments to regional and European Parliaments.

The duration of each of the individual components of the programme has been carefully considered taking into account past experience, and with due consideration to potential additional funds for the sector through the EU's Joint Programming process for South Sudan for the years 2011-2013.

**Risks and assumptions**

The biggest risks facing South Sudan as it transitions into an independent country relates to issues of security and stability. The project's success and eventual sustainability will rely on the existence of a stable and conducive operating environment.

The establishment of the LTI is a priority. It is therefore assumed the management structures and the strategic plan will be finalised in such a timeframe that donor support can smoothly continue. It is assumed stakeholders' commitment to ensure sustainability of all outputs of this programme, and to respect good governance principles

**Crosscutting Issues**

Public accountability and fighting corruption as well as respect for human rights and fundamental freedoms are core values and issues of major concern to the EU, and covered in the SSDP and therefore, will feature as clear cross-cutting themes in the response strategy.
Positive action initiatives will be taken to increase female participation and support women wishing to participate.

Special focus will be given in all the training components to the promotion and respect of human rights, raising awareness on anti-corruption and gender equality as cross-cutting issues. Specific courses on how to deal with gender-related cases will be provided.

With regards to the environment, this programme should not have any adverse environmental effects or further exacerbate the problem of climate change, nor does it aim to directly address environmental issues.

**Stakeholders**

The main stakeholders of the project are:

1. The most vulnerable population of the target areas, who will rip the benefits of a more effective, transparent and accountable institutional framework.

2. The emerging judiciary and parliamentary institutions of South Sudan, which will be directly targeted in the intervention.

The proposed action also has a range of stakeholders/beneficiaries who will indirectly benefit from the programme; these include for instance the Bar Association and the Law Society.

The proposed programme was developed as an outcome of a number of consultations and meetings with all the stakeholders concerned. It is based on lessons learnt from the EU's previous positive engagement with most of the targeted institutions and on priorities identified by them. The majority of the institutions have expressed their approval of the planned interventions both verbally and in writing.

4. **IMPLEMENTATION ISSUES**

**Method of implementation**

The project will be implemented through Direct Centralised Management for parts of components 1 and 2 and component 3 and Joint Management with United Nations Development Programme (UNDP) for the infrastructure aspects of components 1 and 2.

**Direct Centralised Management for components 1, 2 and 3:**


Two direct grants will be awarded to International Development Law Organization (IDLO) and one to the Association of European Parliamentarians for Africa (AWEPA) for the implementation of parts of components 1 and 2, and of component 3.
In accordance with Article 103.3 of the 10th EDF Financial Regulation, Article 168 (2) of its Implementing rules and Articles 72 and 73 of the revised Cotonou Agreement, the direct award of these grants is justified, as long as flexible procedures apply.

The IDLO is currently the only organisation providing comprehensive support to the Judiciary of South Sudan (JoSS) and is highly trusted by the JoSS hierarchy because of its technical competence and high degree of specialisation. IDLO has been implementing its capacity building programme in support of JoSS for the past two years. It has established an office and a pool of experts and the EU has received positive feedback on the implementation of its programme from the JoSS.

AWEPA has grown to be recognised as a significant facilitator in the field of democratisation, and especially parliamentary capacity building in Africa. The added value of AWEPA lies in its broad membership skills base, its partnership approach and its well established network of political and parliamentary entry points. Besides the international exposure, AWEPA started to operate in South Sudan in 2007 and is currently recognised by the SSNLA as a trusted and valued partner having provided consistent and continuous support to the institution for more than four years.

**Joint Management for the infrastructure aspects of components 1 and 2:**

Joint management through the signature of an agreement with an international organisation, UNDP will be concluded for the infrastructure aspects of components 1 and 2 of the programme due to their extensive construction experience in South Sudan on similar projects, in accordance with Article 29 of the Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund. The international organisation complies with the criteria provided for in the applicable Financial Regulation. UNDP is covered by a Financial and Administrative Framework Agreement concluded with the Commission (FAFA). A Standard Contribution Agreement will be signed with UNDP.

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

In the case of joint management, the international organization concerned will be responsible for the overall project implementation and management. It will establish an appropriate steering committee and ensure that the beneficiary institutions and the Commission are continuously engaged in policy dialogue, monitoring, annual review and evaluation processes.

**Procurement and grant award procedures**

a) Direct Centralised Management:

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10th EDF.
2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII ‘Grants’ of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants 80% of the total accepted costs of the Action. Full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

b) Joint Management:

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

**Budget and calendar**

The total programme cost is estimated at EUR 20 000 000, all of which shall be financed from the EU Special Fund for Sudan, Council Decision number 2010/406/EU adopted in July 2010.

The indicative breakdown of the overall amount by main component is as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>EU contribution (EUR)</th>
<th>Total (EUR)</th>
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<tbody>
<tr>
<td>Component 1: Establishment of permanent legal training capacity in South Sudan</td>
<td>8 000 000</td>
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<tr>
<td>Direct award of grant to IDLO</td>
<td>3 000 000</td>
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</tr>
<tr>
<td>Contribution Agreement with UNDP</td>
<td>5 000 000</td>
<td>5 000 000</td>
</tr>
<tr>
<td>Component 2: Strengthening of the Judiciary of South Sudan</td>
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<td>7 500 000</td>
</tr>
<tr>
<td>Direct award of grant to IDLO</td>
<td>1 500 000</td>
<td>1 500 000</td>
</tr>
<tr>
<td>-------------------------------</td>
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<td>-----------</td>
</tr>
<tr>
<td>Contribution Agreement with UNDP</td>
<td>6 000 000</td>
<td>6 000 000</td>
</tr>
<tr>
<td>Component 3: Capacity Building Support to the South Sudan National Legislative Assembly &amp; State Assemblies</td>
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<td>3 300 000</td>
</tr>
<tr>
<td>Direct award of grant to AWEPA</td>
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</tr>
<tr>
<td>Communication/ Visibility</td>
<td>100 000</td>
<td>100 000</td>
</tr>
<tr>
<td>Monitoring, External Evaluation and Audit</td>
<td>400 000</td>
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<tr>
<td>Contingencies</td>
<td>700 000</td>
<td>700 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>20 000 000</td>
<td>20 000 000</td>
</tr>
</tbody>
</table>

The programme will have an operational duration of 60 months.

**Performance monitoring**

As very limited baseline data currently exist, the Commission plans to conduct individual assessments for each of the components of the programme, during the inception phase in order to collect reliable baseline data and to inform and refine the individual outputs of the programme. This will ensure more efficient monitoring and will assist in identifying results and achievements.

Progress in the implementation of each component of the programme will be regularly monitored internally by the EU Delegation. Independent consultants may also be recruited to carry out external results oriented monitoring and outputs will be used for policy and management purposes.

Under joint management, the monitoring will be the responsibility of the international organisation.

**Evaluation and audit**

A total allocation of EUR 400 000 is foreseen for monitoring, evaluation and audit.

Independent consultants recruited directly by the Commission will carry out external evaluations as follows: a) Mid-term evaluation mission. The conclusion of this evaluation may serve as input to reorient the program; b) Final evaluation at the beginning of the closing stage.

A provision for Audits is included in the budget. The Authorizing Officer can use this provision to organize an independent audit of expenditure under this programme.
Under joint management, United Nations Development Programme will be responsible for audit implementation as detailed in the Financial and Administrative Framework Agreement (FAFA) signed with the United Nations.

**Communication and visibility**

A total allocation of EUR 100,000 has been included in the budget to cover communication and visibility. This allocation will be used for the production of relevant promotional material (banners, posters, books, pens etc) as well as for visibility events (formal openings of Legal Training Institute and Judiciary of South Sudan buildings). The funds will be managed by the Commission.

The Commission will also ensure that individual actions include specific lines in their respective budgets for communication and visibility and that the Communication and Visibility Manual for European Union External Actions is respected.

For joint management with UNDP, reference will be made in the contribution agreement to the FAFA and the Joint Visibility Guidelines for EC-UN actions in the field.
ANNEX IV

1. IDENTIFICATION

<table>
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<tr>
<th>Title/Number</th>
<th>Sudan - Primary Education Retention Programme (PERP) CRIS No SD/FED/023-251</th>
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<td>Total cost</td>
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<td>Aid method /</td>
<td>Project approach</td>
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<td>Method of</td>
<td>Centralised management - Joint management with UNICEF</td>
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<tr>
<td>implementation</td>
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</table>

DAC-code: 11220  
Sector: Primary Education

2. RATIONALE

2.1. Sector context

There has been increased participation in general education since the signature of the Comprehensive Peace Agreement (CPA) in 2005, with an average annual enrolment growth rate in primary education of around six per cent across Sudan\(^{14}\) – an impressive quantitative achievement. However, there is still substantial student dropout at the primary level: only 54 per cent of those entering Grade 1 are still in school in Grade 8, indicating a high wastage rate through Grades 1 to 7. This is recognised as a major challenge that is not yet being seriously and sufficiently addressed.

There are massive disparities, with the range of the Gross Enrolment Rate varying enormously between Sudanese states for overall primary school participation. Location, vulnerability, and gender affect access to schooling: disadvantaged groups are significantly under-represented; urban children are 17 per cent more likely than rural children to attend school; boys are 8 per cent more likely to be participating than are girls.

The quality of learning is typically reported\(^ {15}\) as unsatisfactory with low levels of literacy and numeracy: the five target states tend to perform more poorly than the rest of Sudan. Possible causes include widespread malnutrition (food insecurity), poor school environment, inadequate instructional hours, and lack of textbooks. Teachers tend to have limited educational qualifications and in many cases no teacher training; they apply traditional pedagogies, have low morale and receive ineffective supervision and leadership; their deployment is skewed towards urban areas.

There are many interventions by a range of agencies and these are sometimes uncoordinated; the misapplication of resources is prevalent. Despite the Educational Management Information System (EMIS), which is already making a valued contribution (see below), educational planning is not yet information-driven.

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\(^{14}\) Data in this section are derived from World Bank reports of April 2011 and from EMIS data based upon the January 2010 school census.

\(^{15}\) As discussed by Education Ministries in the target states with consultants to the EU in April/May 2011.
2.2. Lessons learnt

The European Union's (EU’s) support to education in Sudan has been focused upon the EMIS project which began in August 2008. EMIS is already providing increasingly reliable and fairly up-to-date educational data and statistics as a key platform for improved education planning and management and there is widespread approval of the EU’s support for EMIS. However, there are major challenges which, if ignored, could result in return to the traditional paper-based system. Data entry related to the December 2010 school census is still underway (in May 2011) and this is a slow process. There is a limited budget for maintenance and there is a reported requirement for additional training (although that recently provided by the EU and UNICEF has been greatly appreciated). As is often the case with new systems, there are shortcomings with the software.

The EMIS project, and the EU-supported Baseline Data project which preceded it, provide important lessons regarding the limited levels of public funding for education, and the importance of building sustainability into project design and implementation. There are positive lessons also: recognition of current deficiencies and commitment to deliver education more effectively and to apply fresh approaches once these have been shown to work.

In accordance with EuropeAid Guidance, the Primary Education Retention Programme (PERP) will:

- Support consistency and complementarity between education sector reforms and other public reforms;
- Support efforts which promote ownership at decentralized levels;
- Manage the risk of increased disparity in the design of education sector support;
- Promote involvement of local actors in the measurement of performance; and
- Support involvement of non state actors (NSAs) in education sector programmes.

2.3. Complementary actions

This proposed programme is the EU’s only planned intervention in the Education sector. A similar initiative, also through funding from the EU’s Special Fund for Sudan, is now being designed in parallel in relation to the health sector.

Amongst EU Member States, the United Kingdom Department for International Development (DFID) is currently planning an educational intervention. Minor activities, such as the provision of volunteers and support for some non governmental organisations (NGOs), are engaged in by some other Member States.

UNICEF’s educational contribution is wide-ranging, spanning school construction and extension, latrines, feeding, community awareness, programmes aimed at girls and at nomads, teacher upgrading, textbooks, child-friendly schools, alternative and out-of-school classes, emergency preparedness, sport and advocacy to decision-makers in support of education.

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16 Devco Guidance Note on ‘Education & decentralization: implications for sector programmes and policy dialogue’ issues following a regional seminar on Social Sector programmes in Decentralised contexts (Nepal, September 2009).
Save the Children (Sweden) is also active across the range of activities including school construction, furnishing and physical upgrading, child-friendly schools, teacher training, textbooks and learning materials, health and hygiene, community involvement and advocacy (related to child protection, security, livelihoods and living conditions as well as education).

The World Bank, through its Basic Education (Multi-Donor Trust Fund – MTDF) and Community Development Fund (CDF) programmes, is making a significant contribution in relation to infrastructure, teacher training, Teacher Training Institute construction and, at the federal level, curriculum development.

In addition, there are numerous Sudanese national and local NGOs involved in the sector.

2.4. Donor coordination

A sector working group meets and plays a role in coordination and information exchange. This function is very likely to become increasingly significant as the education sector strategy and plan are completed and implemented. UNICEF regularly brings together those NGOs involved in education.

Development partners meet on increasingly regular bases and, in the target areas; there are indications that this coordination process is being upgraded, with sector action plans and monthly meetings involving NGOs giving increased coordination and direction¹⁷.

3. DESCRIPTION

3.1. Objectives

The Primary education retention programme's (PERP’s) purpose or specific objective is ‘rate of drop-out from primary classes reduced’.

This will contribute to the overall objective of ‘primary school completion rate raised’.

3.2. Expected results and main activities

Three results are necessary and sufficient to achieve PERP’s purpose:

1. Primary educational planning is based on reliable information,
2. Primary retention projects are designed and implemented in each target area,
3. There is enhanced understanding of factors related to drop-out and of effective strategies.

The main activities that will achieve these three results include:

1. Support to Educational Management Information System (EMIS) functionality and sustainability provided, integrated with the on-going UNICEF support.
2. Provision of action grants to support decreasing drop-out rate. The implementing organizations for the level primary retention projects will be UNICEF in the regions of

¹⁷ Each of the major players (FMoGE, WB, UNICEF, DfID and leading NGOs), including the SMoEs and other key actors in each of the five target states, has been fully consulted in the development of this proposal.
Kassala, Gedaref and Blue Nile, on the one hand, and Save the Children in the regions of South Kordofan and Red Sea, on the other hand. Activities will in implemented under the following frame: development and submission of project proposal by implementing organisations, refinement and acceptance of proposals by the EU Delegation, and follow up contracts with implementing organisations (for approved PERP proposals).

3. The conduct of six studies; the provision of support to a doctoral student in each of the five target areas; possibility of technical engagement with universities in target states; workshops, publication, widespread dissemination and application of findings across PERP and beyond.

3.3. Risks and Assumptions

For the activities to bring about the intended results it is assumed that there will be:

- sustained commitment to strengthening education sector partnership and coordination processes.

For the results to achieve PERP’s specific objective it is assumed that there will be:

- continued progress toward politico-economic stability and the commitment to decentralisation, and

- sustained commitment and leadership to education reform and Education for All / Millennium Development Goals (EFA/MDGs).

For PERP to contribute to the overall objectives it is assumed that there will be:

- continued political stability, and

- no major natural or man-made disasters.

After the independence of South Sudan on 9 July 2011, security issues and financial sanctions continue to apply. Bureaucratic hurdles may only be jumped with sensitivity and patience.

Those involved in the implementation of PERP will need to understand these challenges and take full account of them during all consultations, financial arrangements and programme management and monitoring procedures.

The flexibility of project design will allow the planned interventions to respond to the deteriorating stability and security in South Kordofan and Blue Nile. A baseline needs assessment will be conducted in these states to identify the immediate education service delivery gaps and tailor the suitable response.

3.4. Crosscutting Issues

PERP will have no significant bearing upon issues such as climate change, environmental sustainability or human rights (beyond the right to education as reflected in the MDGs), save that these issues are treated in the primary school curriculum.
The particular issue of gender equality within the primary school system will be a major PERP focus. Fewer girls than boys successfully complete grade 8 and the reasons underlying this disparity will be explored and addressed. Indicators and reports will include gender data.

PERP will also foster better educational governance, for example in its emphasis upon information-based planning and monitoring, and strengthening EMIS.

3.5. Stakeholders

The major beneficiaries are the vulnerable population (school children and local communities) in the five target areas notably by strengthening education service delivery. In relation to EMIS, UNICEF will ensure that the population as the final beneficiary will benefit from the enhanced education service planning, management and financing. Civil society has an important partnership role in relation to the provision of educational facilities and the raising of standards and this will be reflected in PERP’s delivery mechanisms.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project will be implemented through joint management and direct centralised management

- The "Support to the sustainability and enhancement of Educational Management Information System (EMIS)" component will be implemented in joint management through the signature of a contribution agreement with UNICEF in accordance with Article 29 of Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund (EDF). UNICEF is also covered by the Financial and Administrative Framework Agreement (FAFA) signed between the UN and the Commission.

- The “provision of technical assistance to support the programme management and strategic planning and conduct of studies and Ph.D. sponsorships” component will be implemented in Direct centralised Management in accordance with Article 25 of Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund and through the signature of a service contract that will cover the preparatory activities and technical support to the state ministries of education in PERP implementation.

- The “Provision of technical assistance (TA) to target states to support them in implementing projects aimed at decreasing drop-out” component will be implemented through

  - A grant contract to Save the Children Sweden (indicative amount EUR 4 200 000) for the two target regions of Red Sea and South Kordofan to support them in implementing projects aimed at decreasing drop-out rate.

    In accordance with Article 103.3 of the 10th EDF Financial Regulation, Article 168 (2) of its Implementing rules and Articles 72 and 73 of the revised Cotonou Agreement, the direct award of this grant is justified, as long as flexible procedures apply.

  - And in joint management through the signature of a contribution agreement with UNICEF (indicative amount EUR 4 800 000) for the three target regions of Kassala, Gedaref and Blue Nile to support them in implementing projects aimed at decreasing
drop-out rate in accordance with Article 29 of the Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund. UNICEF is covered by FAFA.

UNICEF and Save the Children play distinguished and important roles in the development and delivery of education in the states concerned. They are the only potential implementing agencies with longstanding experience and good working relations in the region as well as sufficient implementation capacities, allowing them to quickly and efficiently start project implementation. The consultant engaged through the Service Contract will enhance the states ministries' capacities to monitor and facilitate implementation in the five target states.

According to Council Decision No 2010/406/EU the Special funds should address the needs of the most vulnerable population from the war affected areas: Darfur, East, Transitional areas and South Sudan. This project is designed to cover five areas: Red Sea, Kassala and Gedaref from East, and South Kordofan and Blue Nile from the three protocols Areas..

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

4.2. Procurement and grant award procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the applicable Regulation for 10th EDF.

2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90% of total eligible costs for Actions financed. Full financing may only be applied in the cases provided for EDF in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th EDF.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.
3) Contribution Agreement:

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

4.3. Budget and Calendar

The total estimated budget for the proposed actions is EUR 12 000 000 financed by EDF Special Funds for Sudan (Council decision 2010/406/EU).

The programme will have an operational duration of 36 months.

The indicative breakdown of the overall amount by main components is as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Total (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support to the sustainability and enhancement of EMIS</td>
<td></td>
</tr>
<tr>
<td>Contribution Agreement with UNICEF</td>
<td>600 000</td>
</tr>
<tr>
<td>Technical assistance for programme management and strategic planning,</td>
<td></td>
</tr>
<tr>
<td>TA to SMoE, conduct of studies and Ph.D.; sponsorships and office</td>
<td></td>
</tr>
<tr>
<td>operational costs</td>
<td>2 000 000</td>
</tr>
<tr>
<td>Support to target states</td>
<td></td>
</tr>
<tr>
<td>Contribution Agreement with UNICEF</td>
<td>4 800 000</td>
</tr>
<tr>
<td>Grant with Save the Children</td>
<td>4 200 000</td>
</tr>
<tr>
<td>Monitoring, External Evaluation and Audit</td>
<td>120 000</td>
</tr>
<tr>
<td>Visibility</td>
<td>20 000</td>
</tr>
<tr>
<td>Contingencies</td>
<td>260 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>12 000 000</td>
</tr>
</tbody>
</table>

At school level, local communities will make significant contributions in kind in such areas as classroom construction, buildings' maintenance, environmental upgrading and school food.

4.4. Performance monitoring

Each state’s project will have baseline and target values related to EMIS data, including methodologies for comparing performance in areas with and without the project action.

4.5. Evaluation and audit

The mid-term evaluation will occur during the fourth quarter of Year 2 when the projects in each state should be under way.

The ex post evaluation will necessarily occur at the point when the Primary education retention programme's (PERP’s) contribution to the overall objective of increasing retention across the primary cycle may be discerned. In addition to the usual requirements of an EU evaluation, this
particular exercise should extend to an academically-sound assessment of the practical effects of the various approaches to reducing dropout, including the findings of the several studies and of the doctoral researches.

A provision for Audit is included in the budget. Under the 10th EDF Financial Regulation, the Authorising Officer can use this provision to organise an independent audit of expenditure under this Agreement.

An audit will be organised by UNICEF for the activities it will implement.

4.6. Communication and visibility

The Commission shall, facilitated by the Consultant engaged through the service contract, issue leaflets and media releases on PERP and, in time, on its achievements and implications. The findings and resultant recommendations of the studies and the doctoral research shall be presented at workshops and through publications, including contributions to peer-reviewed journals and international conferences.
ANNEX V

1. IDENTIFICATION

| Title/Number | South Sudan - Improved management of education delivery (IMED)  
|             | CRIS No SD/FED/023-267 |
| Total cost  | EUR 11 500 000  
|             | EU contribution - Special Funds for Sudan Council Decision 2010/406/EU |
| Aid method / Method of implementation | Project approach  
|             | Direct centralised management - Joint management with UNICEF |
| DAC-code   | 11220 Sector Primary Education |

2. RATIONALE

2.1. Sector context

The context of education development is characterised by striking poverty, very low human and social development, chronic insecurity and natural emergencies. The years of conflict and underinvestment have resulted in a lack of infrastructure and untrained teachers and managers, many of whom are ex-combatants. The adult literacy rate among 15 years and above population is estimated to be 24%. Eighty-four per cent of the population lives in rural areas where educational demand and provision is weak.

Some progress has been made since the signing of the Comprehensive Peace Agreement (CPA) in 2005. Primary Gross Education Rate has risen from 38% in 2005 to 72% in 2009, although there remain strong disparities in relation to gender (13% access gap), wealth (32% access gap) and urban/rural split (33% access gap), and there are considerable variances between the states. More than half of the teachers are unqualified, of whom the majority have an academic background not higher than primary grade 8, and many cannot teach in English, the official medium of instruction.

Despite the progress, South Sudan is a long way from attaining Universal Primary Education and realizing the Education For All (EFA) and Millennium Development Goals (MDGs). Cost-sharing policies are under review, further defining financial contributions at school level, and working towards the introduction of a capitation grant to primary schools, although transparent and efficient dispersal of operating budgets to school level will pose a challenge. Teachers’ salaries represent the bulk of the sector budget and an automated computerised payroll has been established, although the systems for payments and verification of teachers’ qualifications are not yet in place. An education management information system has been established but there are still significant gaps.

After 20 years of uncoordinated educational delivery at the community level by churches, non-government organisations (NGOs), and United Nations (UN) agencies, one of the greatest challenges is to harmonise and standardise delivery through the implementation of clearly defined policies and plans. The South Sudan Development Plan (SSDP) for 2011-2013 is currently being finalised as a basis for medium-term service delivery and development support, and an Education Sector Strategic Plan is being drafted based on this. The SSDP sets five priorities for the education sector: (1) enhancing education quality; (2) increasing access and improving efficiency of the education system; (3) enhancing literacy and alternative education; (4) enhancing institutional and human capacity; (5) expanding access to quality higher education.
2.2. Lessons learnt

Previous EU support for education (EUR 48 000 000 for education and rural development) was channelled through the Multi-Donor Trust Fund (MDTF), to implement the Education and Rehabilitation Project (ERP) and technical assistance (TA) in planning and budgeting. Experience with the ERP demonstrated the need for more assistance in project management, financial management and accountability before finances can be disbursed through country systems.

The three years of long-term TA support to the crucial area of planning and budgeting achieved substantial outcomes such as the establishment of the Budget Sector Working Group, or the establishment of guidelines on operational budgets. Experience with TA has demonstrated the need to build capacity in management, including management of TA, as TA working with a counterpart was more effective in building capacity and systems.

The EU’s more recent contribution to the Interim Arrangement phase of the Basic Services Fund (BSF) provides lessons that include the existence of a large number of international and national non governmental organisations (NGOs) that have some capacity to implement projects, but the number of agencies that have sound financial background and acceptance of the community is limited. As communities and parents continue to support primary school in kind or through payment of fees, community participation in projects is taken into consideration.

While the urgent strengthening of education service delivery in the short-term has been achieved through partnerships with NGOs and UN agencies, this has not built managerial and administrative capacity within the system. The SSDP priority area which is currently the weakest is enhancing institutional and human capacity.

2.3. Complementary actions

The Improved Management for Education Delivery (IMED) programme will be the only direct EU support to education for the time being.

Much of the donor support to education has been through the MDTF and BSF. The MDTF will end in 2011, and the BSF has been extended until the end of 2012 when the start-up of the school grant component of IMED is planned and consequently the continuation of the targeted areas' education sector support. The United States Agency for International Development (USAID) South Sudan Technical Assistance Project (SSTAP) has been also extended until September 2012. The SSTAP focuses on building the capacity of the relevant institutions in subjects such as education management and programmes' implementation. The extension will focus on a limited number of areas. The IMED will support the continuation of the technical support provided by SSTAP, with focus on areas such as evidence-based budgeting and planning through strengthening Education Management Information System (EMIS) utilization and functionality at the targeted areas. The technical assistants provided by IMED will also support the school grants implementation process by enhancing capacities to participate in the project identification, management and monitoring. The EU Delegation and USAID are engaged in discussion to ensure synergies of planned support.

As not all agencies have finalised their programming the following figures are indicative. The United Kingdom Department for International Development (DFID) will become the largest bilateral donor in the sector with a committed STG£37 million in support of increased access to primary, secondary and alternative education, and plans for support to textbook provision (STG£10 million), English language training (STG£9 million), girls’ education (STG£50 million) and teacher professional development (STG£40 million). The USAID’s programmes supporting girls’ education and technical advice to the SMoEs will end in 2011 and its new three-year Teacher Professional Development and Infrastructure programme (USD30 million) will start in mid-2011. Italy has indicated funding of EUR 7 million for education. The Japan International Cooperation Agency (JICA) will continue to support training of primary school teachers in science and mathematics in five states (USD1.2 million per year). The World Bank has not yet committed funding for education.

UNICEF is expecting to receive USD25 million of funding in both 2011 and 2012 mostly from donors such as DFID and Norway: its major programmes are school construction and the EMIS. As ‘lead
agency’ for education, UNICEF plays a major role in the dialogue between education stakeholders, and has supported coordination meetings for the bi-annual Education Reconstruction and Development Forum (ERDF) and Thematic Working Groups. It is currently supporting the development of the Education Sector Strategic Plan (ESSP).

Voluntary Service Overseas (VSO) and Peace Corps are expected to deploy volunteer experts to support the state ministries of education. The intervention is at the preparation phase and the decision on establishing their programmes in South Sudan has still to be taken. Coordination and synergies with the two agencies potential programmes will be ensured.

The Capacity Building Trust Fund (CBTF) Phase II became operational on 1 February 2010 with focus on supporting the government's efforts in Capacity Building and Public Sector Reform. The total fund value is USD22 million, representing contributions from seven countries: Canada, Denmark, Netherlands, Norway, Spain, Sweden, and the United Kingdom. CFBT supports National-scale projects, state specific projects in all ten states in areas such as support to the government in developing and implementing a country-wide payroll system, training in Public Financial Management to civil servants, and in the implementation of the Public Service Reforms Implementation Framework. The EU's support to education will target synergies with the CBTF interventions at national and states level.

2.4. Donor coordination

Multiple arrangements are in place for coordination, including the Inter-Ministerial Appraisal Committee (IMAC), which appraises all donor-funded projects, and the Donor Forum, established as a coordination and communication mechanism between major stakeholders. For education, there is

- the Education Budget Sector Working Group, responsible for producing the Budget Sector Plans which set priorities and expenditure allocations and which also map donor support,

- Eleven Thematic Working Groups, leading planning, monitoring and reviewing of programmes in the key areas of operations,

- the Education Donor Group, an information-sharing body composed of DFID, the European Commission, JICA, Norway, UNICEF, USAID and the World Bank.

There are also other coordination arrangements, with UNICEF as the lead agency. However, it is noted that in the education sector coordination between major stakeholder has not always been an easy one, particularly because of differing perceptions of the implementation of the Multi-Donor Trust Fund and its Education and Rehabilitation project (ERP), which will continue to influence the relationship after independence.

The move to independence is being accompanied by a shift in external support. The approach (on both sides) is moving from an expectation that support will be largely humanitarian relief, as during the civil war, to an expectation of support for longer-term sustainable development. There are therefore changing expectations of what each partner can do and will provide. This change of approach requires a change in thinking and attitude, which may not be easy for all stakeholders. There are also signs that an “aid-dependence” mentality among technical staff in education may resist some of the changes.

3. DESCRIPTION

3.1. Objectives

Overall objective: Management of education delivery more effective, and increasing access to education.

Specific objective: Capacities for planning, managing and monitoring improved education service delivery are strengthened
3.2. Expected results and main activities

Institutional and human capacity is one of the South Sudan Development Plan (SSDP) priority areas for education (and for governance) but there are major gaps across the system and at every level. So that planning and resourcing decisions are evidence-based, management information needs to be available and sufficiently accurate to be used for planning, management, monitoring and review. The IMED will enhance capacities in planning, management and monitoring of education plans, programmes and resources by enhancing the competencies of the staff, establishing procedures and systems and upgrading facilities needed to perform the targeted functions. To ensure management information is available the Educational Management Information System (EMIS) will be strengthened. To ensure utilisation of acquired skills, funds will be provided to develop school projects addressing school needs based on EMIS information: this component will focus on strengthening school-community linkages and partnerships. The four areas selected – Lakes, Northern Bahr el Ghazal, Warrap and Western Bahr el Ghazal, which are also those the EU is intending to target in its agriculture and health programmes - have low primary education enrolment levels, high dropout rates and wide gender disparities.

Result 1: Appropriate policy development, planning, monitoring, financial management and accountability systems in place, effectively implemented and coordinated.

Technical advisers and short-term consultants will provide support. An initial capacity needs assessment and analysis will be undertaken. Existing procedures and policies in critical management areas will be reviewed and plans agreed, prioritising those areas with the greatest impact on service delivery. Infrastructure type interventions will be undertaken where required.

Result 2: Improved physical and human capacity and partnerships for facilitating teaching and learning in selected counties and schools.

Result 3 Strengthened capacities to produce and use education information in support of education planning, management and monitoring.

An initial analysis of capacity and needs for improving EMIS will be undertaken. Equipment and materials for data capture will be provided. EMIS users and data collectors will be trained. Data collection, analysis and dissemination will be supported and supervised to ensure accuracy.

3.3. Risks and assumptions

Security and stability: There is a risk that insecurity will restrict movement and successful achievement of targets in certain counties.

Cooperation between all stakeholders: cooperation between all major stakeholders is required if the management of the education sector is to remain coherent.

Attracting and keeping appropriate human resources: IMED requires a certain level of initial capacity in order that further capacity can be developed, and a high turnover of staff (and if new staff are appointed for reasons other than technical ability) would reduce effectiveness.

Availability and capacity of non-state actors. The school grant implementation depends on availability of non governmental organisations (NGOs) (or private firms) working or ready to work in the counties and schools. The selection of organisations will take capacity into account.

3.4. Crosscutting Issues

(IMED will have no significant bearing upon issues such as climate change, environmental sustainability or human rights (beyond the right to education as reflected in the MDGs), save that these issues are treated in the primary school curriculum.

IMED will take gender into account both in terms of strengthening management of education in order that resources can be used more effectively to increase girls’ enrolment, retention and completion, and
in terms of human resource management which does not disadvantage selection or career advancement of women.

3.5. Stakeholders

The ultimate beneficiaries are the vulnerable population in the target areas. The direct beneficiary of the project is the population, in particular students, future students, their families, their teachers and schools general. The education sector development partners also have a stake. NGOs and the churches, as significant supporters of education service delivery, are also stakeholders, as are school parent-teacher associations.

A stakeholders' analysis has been carried out in the target areas and the main findings of the analysis included the assessment of the impact of the security situation on education service delivery. The stakeholders' analysis recommended prioritizing the disadvantaged and potentially marginalized groups to address the underlying factors of tension between the stakeholders’ groups. These factors include tribe, religion, language and gender. The analysis recommended that IMED intervention should favour the peripheries to reduce disparities.

The main conclusion of the stakeholders' analysis is that IMED is considered as a bridge between the period when service delivery was dominated by non-state actors (NGOs or UN agencies) in parallel to public interventions, and a period when public institutions will take full responsibility.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project is implemented though direct centralised management for the results 1 and 2 and through joint management for the result 3.

**Direct centralised Management: Result 1 - and 2**


**Joint management: Result 3**

Joint management through the signature of an agreement with an international organisation, with UNICEF, as a lead actor in the education sector in South Sudan, to continue and enhance the implementation of the Educational Management Information System (EMIS) activities in accordance with Article 29 of the Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund. The international organisation complies with the criteria provided for in the applicable Financial Regulation. UNICEF is covered by a Financial and Administrative Framework Agreement (FAFA) concluded between the United Nations and the Commission. UNICEF has been the ‘umbrella agency’ for Education Management Information System activities in South Sudan since 2007 with longstanding experience and good working relations in the region as well as sufficient implementation capacities, allowing them to quickly and efficiently start project implementation.

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

4.2 Procurement and grant award procedures

1) Contracts
All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10th EDF Financial Regulation. 2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90% of total eligible costs for Actions financed. Full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th European Development Fund.

3) Contribution agreements

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

4.3 Budget and calendar

The total project cost is estimated at EUR 11 500 000 which shall be financed from the Sudan Special Funds related to the Council Decision 2010/406/EU.

<table>
<thead>
<tr>
<th>Categories</th>
<th>EU contribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td><strong>Result 1:</strong> Appropriate policy development, planning, monitoring, financial management and accountability systems in place, effectively implemented and coordinated at Federal MoE and at selected SMoE, county and school levels (Service contract)</td>
<td>3 500 000.00</td>
<td>3 500 000.00</td>
</tr>
<tr>
<td><strong>Result 2:</strong> Improved physical and human capacity and partnerships for facilitating teaching and learning in selected counties</td>
<td>5 600 000.00</td>
<td>5 600 000.00</td>
</tr>
</tbody>
</table>
and schools (Grant Contracts).

| Result 3: Strengthened capacities to produce and use education information in support of education planning, management and monitoring at Federal MoE and SMoEs levels (Contribution Agreement with UNICEF) | 2 000 000.00 | 2 000 000.00 |
| Communication/Visibility | 20 000.00 | 20 000.00 |
| Audit, monitoring and evaluation/Midterm Reviews | 150 000.00 | 150 000.00 |
| Contingencies | 230 000.00 | 230 000.00 |
| TOTAL | 11 500 000.00 | 11 500 000.00 |

The implementation phase of project will have duration of 36 months.

4.4 Performance monitoring

The programme will support the establishment of monitoring frameworks and the initiation of joint sector reviews of the implementation of the Education Sector Strategic Plan, which will then be the main means for joint monitoring of overall sector performance. Regarding the IMED implementation, implementing agencies will report regularly on performance and progress according to their respective contractual reporting requirements. Progress in the implementation of each component of the programme will be regularly monitored internally by the EU Delegation. Independent consultants recruited directly by the Commission on specifically established terms of reference will carry out external Results Oriented Monitoring, which in principle will start from the sixth month of project activities, and will be finalised at the latest six months before the end of the operational implementation phase.

4.5 Evaluation and audit

A mid-term review will assess progress in establishing systems and consider lessons to be learned which should feed into the design of future support to the sector. A final evaluation will review the mid-term findings and make further recommendations.

A provision for Audit is included in the budget. The Authorising Officer can use this provision to organise an independent audit of expenditure under this Agreement. EUR 150 000 are earmarked for the audit, monitoring and evaluation.

Under joint management, UNICEF will be responsible for the audit as regards to the Financial and Administrative Framework Agreement (FAFA).
4.5 Communication and visibility

For result 1, the contracted consultant firm is expected to produce a summary of its annual reports in newsletter form for circulation which will give details of the EU support. For result 2, EU visibility will be through the logo on EU-funded works and related documents. Launching and handover ceremonies should be appropriately covered by the media.

Standards for visibility will be derived from the “Communication and Visibility Manual for European Union External Actions” and the “Joint Visibility Guidelines for EC-UN actions in the field”.

Communication and visibility related activities will be implemented through service contracts and as part of the contribution agreements signed with international organisations.
ANNEX VI

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title/Number</th>
<th><strong>Sudan</strong> - Strengthening Sudan Health Services (SSHS) - CRIS No SD/FED/023-301</th>
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<tr>
<td>Total cost</td>
<td>EUR 12 000 000&lt;br&gt;EU Contribution - Special fund for Sudan under Council Decision 2010/406/EU</td>
</tr>
<tr>
<td>Aid method / Method of implementation</td>
<td>Project approach&lt;br&gt;Direct centralised management – Joint management with the World Bank</td>
</tr>
<tr>
<td>DAC-code</td>
<td>12220&lt;br&gt;<strong>Sector</strong>&lt;br&gt;<strong>Basic Health Care</strong></td>
</tr>
</tbody>
</table>

2. **RATIONALE**

This proposal is financed by the Special Funds for Sudan (SFS), allocated by Council Decision number 2010/406/EU.

The SFS aim to address the basic needs of the most vulnerable population from the war affected areas: Darfur, East and the Transitional areas in Sudan and the whole of South Sudan.

This project is designed to cover five areas: Red Sea, Kassala and Gedaref from the East and South Kordofan and Blue Nile from the three protocols areas.

3.1. **Sector context**

The population of the Sudan (since the secession of the South on 9 July 2011, Sudan is now composed of fifteen states and the capital Khartoum) is estimated at 33.4 million, with an annual growth rate of 2.8%. The country is in the low income level category, ranked as 150 out of 182 on the human Development Index.

The East and the Transitional Areas are characterised by poor development indicators and high potential for new emergencies and influx of either displaced people or refugees. The East is an area largely underdeveloped, which suffered from severe drought during the last years, and with reduced accessibility for administrative reasons. The region hosts more than 160,000 Eritrean refugees. In the Transitional Areas (Abyei, South Kordofan and Blue Nile States) problems of under development are similar to those in South Sudan, and new conflicts occurred since May and June 2011.

Overall, health indicators in Sudan are poor, although better than in most Sub-Saharan African countries. The health status is characterised by a significantly high under-five mortality rate: 102/1000 living births in 2006. The major killers of children below 5 are pneumonia, malnutrition, malaria and diarrhoea. Mothers are suffering from a high maternal mortality rate (450/100,000). The burden of communicable diseases is high. Furthermore, the country is showing an increasing size of the elderly population above the age of 60. This is also increasing the rates of cardiovascular, diabetes and malignancy diseases.
The health indicators show that health care needs are closely related to insufficient access to basic human services. Capacities are lacking at regional level and there are difficulties in coordinating policies and programmes among different levels of government.

As a result, the delivery of basic services is widely inadequate, and access to basic health services is not provided to the population of many remote areas.

Sudan has defined its National Health Policy (NHP) in 2007, introducing reforms in order to strengthen the health system based on primary health care, and to ensure an equitable and sustainable health care delivery system, especially for the poor, disadvantaged and vulnerable, including those in underserved and conflict affected areas. The proposed objectives are in line with goal 2 of the NHP "Improve coverage and accessibility to quality health services" and the strategic objective 3 "equitable coverage and accessibility to the essential Primary Health Care (PHC) package", objective 4 "Ensure adequate production, equitable distribution and retention of skilled human health personnel", objective 5 "Ensure equitable coverage and accessibility to quality referral secondary and tertiary health care services", objective 6 "Reform and develop pro poor health care financing policies", objective 8 "Introduction and adoption of quality management systems in all health facilities".

A new five-year action plan 2012-2016, will present the updated priorities for six areas: human resources, financing, health information, technologies, services delivery and governance.

The first version of the Interim Poverty Reduction Strategy Paper presents the national priorities in order to reach the Millennium Development Goals (MDGs) in the health field: (i) develop health care financing and increase public funding, (ii) capacity building and investment in human resources for health, (iii) develop partnership.

Each State in Sudan has 5-12 localities. Each State has a State Ministry of Health (SMOH). The State normally has a general hospital and possibly specialised hospitals. The locality has one or more rural hospitals, Primary Health Care Units (PHCU) supposed to be headed by a medical doctor and Basic Health Units (BHU) where services are offered by medical assistants.

The delivery of the health services is characterised by a poor availability and accessibility, an insufficient quality and a lack of continuity (referral system)

However, at the time the NHP was identified the total expenditure on health in 2007 was 1.4% of the total government expenditure. Public investments in the North for the health sector have remained limited in the face of growing needs of the population. Health care financing is deficient in Sudan. It reached 5.6% of the Gross Domestic Product (GDP) of which 28% are covered by the government and the rest as private expenditure paid directly by the citizens. The recent secession of the South will decrease the resources of North Sudan, and this will hamper the necessary increase of funding for the health sector.

The private sector is not precisely documented, but private hospitals are progressively increasing in the capitals of large states\textsuperscript{18}. More than 90% of physicians working in the public sector are permitted to privately practice, creating a possible conflict of dual practice that can result in higher out-of-pocket cost of care and limited affordability by the poor.

\textsuperscript{18} FMOH, Strategic Health Plan, 2007-2011
A promising segment of the health sector is the social health insurance scheme managed by the National Health Insurance Fund (NHIF). The system is currently covering about 10 million representing about 25% of the population who are mainly the regular employees in the public and private sector and their dependents. The fund started to cover vulnerable populations including the poor, retirees, widows and students, collecting a low premium (15 Sudanese Pounds or about EUR 4 per month) that is mainly covered by the state funds and/or the charity fund (Alzakat). This fund is offering a reasonably better care than regular public healthcare services, but is facing the risk of financial difficulties and inability to reach universal coverage of the poor and disadvantaged under this current financing source.

3.2. Lessons learnt

The national Health Plan 2007-2011 identified the major managerial financial and health care delivery challenges. The Multi-Donor Trust Fund (MDTF) operated by the World Bank is implementing during the period 2007-2011 a Decentralised Health Development Project (DHSDP) and serving about one million people in 4 areas: Red Sea, Kassala, South Kordofan and Blue Nile. The project interventions include constructions, supplies and training and funding amounts to about US$ 27 million. The project target achievements, even rated satisfactory, did not solve the majority of the health delivery and managerial problems.

Another project is financed by the Global alliance for Vaccination and Immunisation (GAVI). The project was justified by weak governance and management system and human resources shortage especially at the locality level. Recently, coverage and quality of Maternal, Child and Neonatal services in Gedaref, Kassala and South Kordofan were evaluated by Health Alliance International in 2010: these services were found deficient, and the components of the management system were weak at the locality level.

Lessons learnt from these projects clearly refer to further need for strengthening management and integration of care. Deficient information, inadequate service provision, questionable quality of care provided and underutilisation by the poor and are still the major challenges of the health system19.

3.3. Complementary actions

While the World Bank/DHSDP and GAVI projects are ending in 2011 to mid-2012, other major projects will be adequately funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), operating in the 15 Northern States and funded by about US$ 260 million between 2011-2016. Similarly, UNICEF has an annual budget of about US$ 27 million to strengthen Maternal and Child Health (MCH) services, nutrition, improved water supply and sanitation.

The European Commission Humanitarian Office (ECHO), focusing on humanitarian aspects in conflict areas, is funding projects of basic water supply and sanitation, supporting refugees in Eastern Sudan and provision of essential drugs and foods. In the East, the focus is on nutritional interventions and on the treatment of diseases such as Kala Azar. In South Kordofan, emergency preparedness and response interventions are supported in mainly the health (surveillance and stocking of drugs and equipment), and the water sector.

The Japan International Cooperation Agency (JICA) is mainly active in reproductive health, human resources development and elimination of poverty, implementing projects in education, water resources, disaster management and agricultural development in Eastern Sudan.

The UK Department for International Development (DFID) spent about EUR 140 million from 2004 up to now, out of which 40% was for humanitarian assistance, working with the World Bank and UNDP in the transitional Areas.

The Italian Cooperation supports several health projects in Eastern Sudan, implemented by the World Health Organisation (WHO) and UNICEF, and targeting Primary Health Care (PHC), Maternal and Child Care (MCH) and sexually transmitted diseases for about EUR 2.4 million.

This design of the present project takes into consideration the above mentioned projects. At the same time, complementary services of these projects will maximize the impact of project interventions proposed for health care delivery improvement. Increased linking relief, rehabilitation and development (LRRD) could take place as ECHO continues its nutrition interventions whilst the EU Delegation focuses on Health to increase impact.

Furthermore, managerial integration and the integrated training of the first line providers in primary care are strongly demanded in order to strengthen performance. The project should stimulate more cooperation and coordination between the various vertical programmes.

3.4. Donor coordination

General donor coordination in Sudan for the development cooperation is weak and there is no structured dialogue.

There are few donors in the health sector, and the funding is shared between humanitarian and development sectors, with a predominance of the humanitarian sector (emergencies and early recovery support), implemented by UN agencies and international non government organisations (NGOs). Coordination of the humanitarian activities is under the responsibility of the Humanitarian Affairs Council.

At sector level, there is a recently launched coordination process with the support of the local WHO office, of which the EU Delegation is a member, among other donors of the sector. This activity started early in 2011 and is providing advice on strategic planning. The project will benefit from this activity through an exchange of information and the opportunity to explore coordination and cooperation.

For Eastern Sudan, a specific mechanism of coordination is to be initiated in the framework of the follow up of the Donors conference held in Kuwait-City on December 2010.

4. DESCRIPTION

4.1. Objectives

The SSHS main objective is to contribute to improved health status and welfare of the served communities through effective delivery of basic health services, improving its quality and increasing its low utilization.

Specific Objectives are:
4.1.1. **Result 1:** Access improved and better quality of health services provided, to meet the acceptable professional standards, resulting in favourable health outcomes of the population served and achieving their satisfaction and raising its utilisation.

4.1.2. **Result 2:** Health services integration and management strengthened, in order to improve the delivery of health care.

4.1.3. **Result 3:** Strategies developed for proper financing and health insurance expanded to the disadvantaged population to ensure better affordability and sustainable coverage of health services.

4.2. **Expected results and main activities**

In order to ensure the best achievable cost-effective results and sustainability, the project is designed to increase the access and quality of health services in the selected areas.

4.2.1. **Result 1: the access to better quality Health care is improved**

The access to better quality care will be extended through supporting extension of the coverage, improving infrastructure, designing standards for quality and training of the front line providers.

This result will be achieved by:

1. Designing and introducing quality monitoring, and training the front line providers through an integrated way (Basic Package of Health Services);
2. Developing a better access to, and quality of, health facilities by a better planning of the buildings and by reopening/refurbishing existing health facilities.
3. Designing and implementing a system for emergency care.

4.2.2. **Result 2: the Health services are managed in an integrated way.**

4.2.3. The health system is effectively managed with integrated levels of care at the primary, secondary and tertiary levels, leading to comprehensive offering of full range of basic health services and effective patient referral system, using reliable information on the system’s management and patient care.

This result will be achieved through the following activities:

1. Analyse and review of organisation and identification of shortages in integrating the three levels of care and proposing an effective organisation at each level; and training the essential state health managers.
2. Plan and implement technical supervision of care provided in PHCU and BHU by the rural hospitals at the locality level, using the district health care integrated model;
3. Review and improve the health information system (HIS) as requisite for effective planning and management as well as improving patient information that serves the effective continuity and quality of care through the referral system.
4.2.4.  **Result 3: the Health insurance is extended in a sustainable way**

Health care financing and expansion of social health insurance are properly designed by developing strategies for adequate funding and strategic plans to cover the vulnerable populations based on actuarial studies that ensure and preserve the sustainability of the Health Insurance Fund (HIF).

This result will be achieved through the following activities:

1. Support the extension of the coverage of the HIF by designing a system of financing based on sound actuarial basis and plans for expanding universal coverage of the needy and disadvantaged for the long term.

2. Reinforce the managerial capacity of the HIF (financial management and system of contracting).

4.3.  **Risks and assumptions**

Risks that may affect the outcome/outputs of the project are:

(i) The resistance to changing the existing models of delivery of health services.

(ii) Sustainability depends on the implementation of proposed reforms of the relevant organisational structures. The reforms will be designed with a special attention to the capacity of the system to support the operating costs.

(iii) Lower governmental revenues after South Sudan independence will have an impact on health funding.

(iv) The capacity to retain skilled personnel by improving financial conditions and work environment.

(v) Other risks include seasonal droughts or floods, disease epidemics or insecurity in areas close to the border North-South and in the East and the possible occurrence of conflicts.

**Crosscutting Issues**

The crosscutting issues related to the project are:

1. The project will have no significant bearing upon any climate change, environmental sustainability issues. However, effective management of the primary health care components targeted by this project include improved water supply and basic sanitation.

2. Human rights are a component and will be addressed by the project, for instance through improved protection of women from preventable deaths and diseases which should lower the high rate in maternal mortality.

3. Gender equality is fostered by the project through emphasis on provision of comprehensive, affordable and acceptable quality of care for women in reproductive health and nutrition areas.

4.4.  **Stakeholders**
There are multiple national and international stakeholders in this project.

- The primary beneficiaries are populations in the communities of the five targeted areas: (three states in the East: Red Sea, Kassala, Gedaref, two states in the Three Protocols area: Blue Nile and Southern Kordofan) particularly the disadvantaged and the needy;

- Front line trainees in the health sector that will benefit from an integrated training on their major duties and responsibilities;

- International development partners, mainly the EU members and the UN agencies involved in humanitarian, recovery and developmental projects.

- National NGO’s (about 84) are essential for contributing to community awareness and healthier behaviours, and for empowering district health planning and management.

5. **IMPLEMENTATION ISSUES**

5.1. **Method of implementation**

The project will be implemented through direct centralised management and through joint management with the World Bank.

**Result 2 (1) and (2) and Result 3** will be implemented through direct centralised management by the EU Delegation in Khartoum in accordance with Article 25 of Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund.

**Result 1 and Result 2 (3):** will be implemented through joint management with the World Bank, in accordance with Article 29 of Regulation (EC) No 215/2008 on the Financial Regulation applicable to the 10th European Development Fund (EDF). The international organisation complies with the criteria provided for in the applicable Financial Regulation. The World Bank is also covered by the Trusts Fund and Co-financing Framework Agreement signed between the World Bank Group and the European Community, represented by the European Commission. An Administrative Agreement with the World Bank will be signed.

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

5.2. **Procurement and grant award procedures**

1) **Contracts**

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the 10th EDF.
2) Specific rules for grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund (EDF). When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 90% of total eligible costs for actions financed. Full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

3) Joint management

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

5.3. Budget and calendar

The total estimated budget for the proposed actions is EUR 12 000 000, all of which shall be financed from the EU’s Special Funds for Sudan as per Council Decision No. 2010/406/EU.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Modality of Implementation</th>
<th>EU contribution (EUR)</th>
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</thead>
<tbody>
<tr>
<td><strong>Technical assistance</strong></td>
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<tr>
<td>- Result 2 (1) and (2) - technical support to State Ministries of Health</td>
<td>Service contract</td>
<td>2 250 000</td>
</tr>
<tr>
<td>- Result 3 - extension of National Health Insurance Fund</td>
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<tr>
<td><strong>Direct support to target States</strong></td>
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<tr>
<td>Result 1 - improvement of quality of health care through refurbishing, equipment and supplies and Result 2 (3) reinforcement of health services' integration.</td>
<td>Contribution Agreement with the World Bank</td>
<td>8 600 000</td>
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<tr>
<td><strong>Other costs, services:</strong></td>
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<tr>
<td>Audits and External Evaluations</td>
<td>Service contract</td>
<td>500 000</td>
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<tr>
<td>Communication and visibility</td>
<td></td>
<td>50 000</td>
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<tr>
<td>Contingencies</td>
<td></td>
<td>600 000</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td><strong>12 000 000</strong></td>
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</table>
The implementation phase will have duration of 36 months.

5.4. Performance monitoring

Performance and progress monitoring will be an integral component of the project design. The project’s logical framework provides for a set of indicators to measure attainment of the objectives set, as well as the intended results, within the indicated timeframe. The identification and subsequent adaptation of indicators of process and outcomes for the internal monitoring of the programme will be done by the Steering Committee along the broader lines defined in the logical framework and on EuropeAid Standard Indicators and monitoring systems.

Monitoring will be based on reported progress of activities.

Starting from the sixth month from the beginning of the project activities the Commission may carry out Results Oriented Monitoring (ROM) via independent consultants. The ROM will be finalised at the latest 6 months before the end of the operational implementation phase.

5.5. Evaluation and audit

A budgetary provision is made for evaluations and audits. Under the 10th EDF Financial Regulation, the Authorising Officer can use this provision to organise an independent audit of expenditure under this Agreement.

Mid-term and final evaluation will occur to assess how activities contributed to the overall project's objective. Mid-term and final evaluation will be centralised and contracted directly by the EU Delegation.

Under joint management, WB will be responsible for the audit implementation as regards to the Trusts Fund and Co-financing Framework Agreement signed between the World Bank Group and the European Community.

5.6. Communication and visibility

The project’s budget allows for Information, Communications and Visibility activities. These will be aligned with the requirements for visibility of EU aid, while demonstrating the ownership of the project outputs. The project will participate actively in public and community fairs related to health such as World Health Day, AIDS, Tuberculosis and similar national and international days and events.

Health education of communities is a promotional activity to the project goals as well as communication and feasibility tools. It is also an essential component of primary health care to raise awareness on health and disease, changing unhealthy or risky behaviours, and appropriate utilization of the available services.

The project will, in addition, work out its own communication strategy and develop specific information and communication activities in order to gain and maintain awareness and support amongst the involved stakeholders by sharing best practices and optimising a maximum involvement in achieving project goals.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
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<td>AF</td>
<td>Action Fiche</td>
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<td>ANC</td>
<td>Ante Natal Care</td>
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<td>BN</td>
<td>Blue Nile State</td>
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<td>BHU</td>
<td>Basic Health Unit</td>
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<td>CBI</td>
<td>Community based initiative</td>
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<td>CBS</td>
<td>Central Bureau of Statistics</td>
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<td>CHW</td>
<td>Community health worker</td>
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<td>CFR</td>
<td>Case Fatality Rate</td>
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<td>CMR</td>
<td>Child Mortality Rate</td>
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<tr>
<td>CPA</td>
<td>Comprehensive Peace Agreement</td>
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<tr>
<td>CVD</td>
<td>Cardio-vascular disease</td>
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<tr>
<td>DHS</td>
<td>Demographic and Health Survey</td>
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<tr>
<td>DHSDP</td>
<td>Decentralized Health System Development Project</td>
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<tr>
<td>DS</td>
<td>Dressing stations</td>
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<tr>
<td>FMOF</td>
<td>Federal Ministry of Finance</td>
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<td>FMOH</td>
<td>Federal Ministry of Health</td>
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<td>FMOHE</td>
<td>Federal Ministry of Higher Education</td>
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<td>ECHO</td>
<td>European Commission Humanitarian Office</td>
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<td>EMOC</td>
<td>Emergency Obstetrics Care</td>
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<td>EU</td>
<td>European Union</td>
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<td>EUD</td>
<td>EU Delegation (Sudan)</td>
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<tr>
<td>GAVI/ HHS</td>
<td>Global Alliance for Vaccines and Immunization / Health System Strengthening</td>
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<tr>
<td>GFTAM</td>
<td>Global fund to fight TB, HIV/AIDS and Malaria</td>
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<td>HRH</td>
<td>Human Resources for Health</td>
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<td>IMR</td>
<td>Infant Mortality Rate</td>
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<td>ITN</td>
<td>Impregnated bed-net</td>
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<td>JAM</td>
<td>The Joint Assessment Mission</td>
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<td>LHA</td>
<td>Locality Health Administration</td>
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<td>LLIN</td>
<td>Long lasting impregnated bed-net</td>
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<tr>
<td>MCH</td>
<td>Maternal and Child Care</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>MMR</td>
<td>Maternal Mortality Ratio</td>
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<td>Ministry of Health</td>
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<td>Non communicable diseases</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>NHIF</td>
<td>National Health Insurance Fund</td>
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<td>NMR</td>
<td>Neonatal Mortality Rate</td>
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<td>Primary Health Care</td>
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<td>PHCU</td>
<td>Primary Health Care Unit</td>
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<td>SDG</td>
<td>Sudanese Pound</td>
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<td>RS</td>
<td>Red Sea State</td>
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<td>SK</td>
<td>South Kordofan State</td>
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<td>SHHS</td>
<td>Sudan Household Survey</td>
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<td>SMOH</td>
<td>State Ministry of Health</td>
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<tr>
<td>TBA</td>
<td>Traditional Birth Attendants</td>
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<td>TFR</td>
<td>Total Fertility Rate</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children Emergency Fund</td>
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<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Populations Fund Family Planning Agency</td>
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</tbody>
</table>
1. IDENTIFICATION

| Title/Number          | Better Health for South Sudan (BHESS)  
|-----------------------|----------------------------------------
| CRIS No               | SD/FED/023-307                         |
| Total cost            | EUR 11 500 000                         |
| EU Contribution       | Special Funds for Sudan - Council Decision 2010/406/EU |
| Aid method /          | Project approach                       |
| Method of implementation | Direct centralized management - Indirect centralised management with the UK Department for International Development (DFID) |
| DAC-code              | 12220                                   |
| Sector                | Health                                  |

2. RATIONALE

2.1. Sector context

South Sudan obtained its independence on 9 July 2001 after 22 years of civil war with its now neighbour Sudan. As a post-conflict country, throughout the slow implementation of the 2005 Comprehensive Peace Agreement (CPA), South Sudan is facing the challenging task of reconstruction and development. South Sudan's infrastructure remains weak, with few paved roads and only dusty cratered dirt roads, which can often be impassable during the rainy season.

The new Republic of South Sudan consists of 10 "States" and 79 counties. The 2008 census reported that the total population of Southern Sudan was 8.2 million. However, this figure is underestimated, in part owing to the substantial inflow of recent migrants returning home from the North of Sudan before and after the 2011 referendum (more than 330,000 returnees up to now). The annual growth rate cannot be reliably estimated. The country ranks 150th out of 182 countries on the Human Development Index.

South Sudan has some of the worst health outcomes in the world. Infant and under-five child mortality rates are at levels not seen in most developing countries for over 50 years. The Infant Mortality Rate reaches 102 deaths per 1000 live births; the Under-5 Child Mortality Rate reaches 135 deaths per 1000 live births, infectious diseases and malnutrition being the most common causes of morbidity and mortality. The prevalence of General Acute Malnutrition amongst children under 5-years of age is 19%, whereas the prevalence of Severe Acute Malnutrition is 3%. As of 2006, South Sudan had very low immunisation coverage rates for all children aged 12-23 months (17%) and poor utilisation rates. Anthropometric measures of malnutrition among children were not exceedingly high by standards of other least developed countries, especially those in post-conflict environments.

The maternal mortality ratio (number of maternal deaths per 10 000 live births) is estimated to be 2 045, and this can be explained by the fact that only 48% of the pregnant women in South Sudan attend one or more antenatal care and only about 10% of all deliveries are assisted by skilled birth attendants. Caesarean section is estimated at 0.5%, one of the lowest in Africa which points to serious weaknesses of the referral system and hospitals. Access to comprehensive emergency obstetric and neonatal care in hospitals is very low.

The provision of health services was severely disrupted during the 22 years of civil war: highly trained staff left the country; hospitals and clinics were destroyed; and those that managed to remain open...
stagnated in terms of improving the range and quality of services offered, the competencies of service providers, and the quality of patient care.

The delivery of quality health services is presently one of the Government of South Sudan’s priorities presented in the South Sudan Development Plan (SSDP) and in the Health Strategy of the Ministry of Health. The **SSDP Health Sector Priorities** are: (i) Increasing access (and demand) of health services; (ii) Strengthening human resources for health; (iii) Expanding the pharmaceutical and medical equipment supply chains; (iv) Strengthening the health management system; and (v) Scaling up health education and promotion.

A first **Health Policy was defined in 2007**, covering a period of 4 years, presenting the main orientations: equitable and sustainable health care delivery system, especially for the poor and vulnerable people; reform of the system based on the Primary Health Care (PHC) principles; capacity building and decentralisation. In 2007, a Basic Package of Health Services (BPHS) was defined as the reference package to be implemented at the first level of the Health services.

The **new Health Sector Strategy 2011 – 2015** should be finalised soon after extensive talks both internally and with the international partners. In terms of provision of services, the first priority will be the strengthening of the delivery of the BPHS including performance subcontracts with non government organizations (NGOs) and the private sector; in the field of human resources for health, the priorities will be skills development, more efficient production by the training institutions, and improvement in the management of human resources.

The Ministry of Health (MOH) has been building a decentralised community-based health system centered on the Basic Package of Health Services (BPHS) model. It comprises a selection of the most cost-effective elements of PHC to be delivered in an integrated way to enhance progress towards the Millennium Development Goals (MDGs).

At the community level, care is provided at Primary Health Care Units (PHCU) and Primary Health Care Centres (PHCC). PHC Units and Centres do not have adequate staff, nor do many health facilities meet the basic infrastructure requirements. County-level primary healthcare facilities are supported by some county and state hospitals as well as national-level teaching hospitals. There are currently about 25 county hospitals in South Sudan. Support to state hospitals and teaching hospitals is very limited. Secondary health care coverage is also scant, leaving PHC service providers little option for referrals, which will also remain a major challenge until road and transportation infrastructure is significantly upgraded.

Coverage to provide vulnerable populations access to health care service and the quality of care remain the major problems in South Sudan. The State Ministries of Health (SMOH) are working in an environment of poor resource allocation and management, and they are not able to provide adequate infrastructure, nor the trained health professionals.

The current health workforce is skewed to a poorly trained low-level professional and auxiliary staff with an absolute shortage of higher-professional staff such as clinicians, midwives, nurses, pharmaceutical and laboratory technicians, and health administrative cadres. An estimated 10% of the staffing norms are filled by appropriately trained health workers\(^20\).

The capacity of health training institutions is limited. Few training institutions are functional and these mostly train low professional cadres. Training institutions have several setbacks such as understaffing, neglected infrastructure, inadequate teaching materials and insufficient funding and they will not be in a position to match the existing demand. Oversight and inspection of training institutions is absent. The MoH has started identifying training institutions to be developed as National Training Institutions (NTIs), but the list is still to be finalised.

\(^{20}\) Inventory Survey of Human Resources for Health in Southern Sudan, 2006.
At the central level, the MOH needs to strengthen its legal, regulatory, strategic planning, procurement, supervision, monitoring and evaluation capacities. The county health team will require additional support and ongoing management training in public health, strategic planning, operational planning, accounting and financial management, supervision, monitoring and evaluation. A Health Management Information System is in place but is fragmented and government officials do not yet benefit from the data acquired either due to lack of knowledge or due to lack of staff dedicated to analysis of data.

In the past five years, the MOH has developed its ministry greatly, and would like to lead the recovery from humanitarian to development assistance, and to play its role of sectoral coordination, and wants to fulfill its responsibility in terms of norms.

2.2. Lessons learnt

Government commitment to take direct action is essential. Repeating mistakes from the main Health support projects, such as Basic Services Fund, and Health Strengthening Transformation Programme from the United States Agency for International Development (USAID), which addressed programming without progressive engagement of MOH, must be avoided: the national authorities must lead the health support programmes. The project must develop permanent relationship and ease the coordination lead by the MOH.

Up until now the main health support projects have used a huge amount of funds to cover running costs for the delivery of health care to the people, mostly through International NGOs; it is important now to shift progressively from an emergency to a more developmental approach with long term vision. There is a consensus between government and donors on this issue.

The coordination among donors will also remain essential: key committees such as the NGO Health Forum, the World Health Organisation (WHO) Health Cluster, and the Donor Health Working Group need regular participation. Coordination with the Ministry of Finance and with the projects aiming to develop public finance management is important, as the public funding (payroll) of Health services can be a bottleneck for any efforts to improve the quality of the services, especially at decentralised levels.

Adequate training environments do not exist in the public sector health system and may not for some years to come. Private and/or non-for-profit health facilities have to be supported for training and re-training, while at the same time public institutions must be strengthened.

2.3. Complementary actions

The Health Pooled Fund component, managed by the UK Department for International Development (DFID), will cover six States, while the projects funded by the World Bank and USAID will each cover two other states; the geographical repartition will be validated by the MOH. The component supporting human resources management and training will work closely with the United National Population Fund (UNFPA) with regards to midwife training and with other donor agencies such as the Canadian International Development Agency (CIDA) and member states working in secondary health care.

Long-term Technical assistance (LTTA) will be provided at the central, state, and selected county level to assist with planning, budget management, and human resources (HR) retention. DFID has promised to roll out a £ 20 million three-year programme to provide similarly tasked LTTA agents to each of the 10 states.

CIDA has confirmed an interest in secondary health and Nurse/Midwifery training. In a partnership with WHO and other UN agencies, CIDA will provide Comprehensive Emergency Obstetric service and training to the State Hospitals in Bor, Rank and Wau. In partnership with UNFPA, the (CIDA) would like to provide training and technical support to the central level MOH in midwifery training curriculum development, and possibly also community level training with additional support from the Japan International Cooperation Agency (JICA).
The Parma University may also provide the Lakes State Hospital with some additional technical support in the form of consultant/tutors

2.4. Donor coordination

A health sector working group, involving the MOH and its partners (including: USAID, DFID, EU, JICA, or the World Bank), meets and plays a role in coordination and information exchange. This function is very likely to become increasingly significant as the health sector strategy and SSDP are completed and implemented. WHO regularly holds health cluster meetings for the humanitarian community, and the MOH brings together the NGOs involved in health each month in a very important implementing health partners meeting called the NGO Health Forum.

States MOHs meet with development partners on a regular basis through the WHO health cluster initiative in each state capital. In all ten states DFID will provide long term technical assistance with the mandate to help States MOHs to improve donor coordination and planning. The Cluster Lead for each state is a large International NGO implementing partner working in that State.

3. DESCRIPTION

3.1. Objectives

The overall objective of the programme is to improve the health status of the population of South Sudan, particularly the poor.

In order to achieve this objective, the specific objectives are:

3.1.1 To Increase access and utilisation of basic health care of improved quality

3.2.2 To produce skilled human resources and to develop management capacity within the public health sector.

3.2. Expected results and main activities

3.2.1 Result 1: the access and the quality of Health care are improved

This project component is meant to improve access to rationalised, quality health care services by contributing to the Health Pooled Fund (HPF), which will support the improvement of coverage and quality of care at the Health district level. The lead agency for the HPF is DFID, with partnership from the EU Delegation, Sweden (Swedish International Development Cooperation Agency, SIDA), the Netherlands, Canada (CIDA) and Australia (Australian Government’s Overseas Aid Programme - AUSAID). The HPF will support the delivery of Health care at PHC level, targeting up to 50 counties in six of the 10 States of Southern Sudan. Expected results from the HPF: (i) an increased quality in primary health care service facilities, with health care utilisation rates in targeted health zones increased by 25% and health facilities (HF) in targeted health zones, meeting 75% of the MOH staff requirements; (ii) an improved health services infrastructure and diagnostics capacity in targeted HF; (iii) an improved working and training environments for South Sudanese health care providers in targeted HF and (iv) improved cure rates of targeted services in targeted HF.

This result will be achieved through the following activities:

1. Implementing the BPHS in the existing functional health facilities;
2. Supporting HMIS at county health department and States MOH level;
3. Supporting the development and implementation of the pharmaceutical supply chain management;
4. Establishing basic Emergency Obstetric Care Unit in PHCC and working with partners to strengthen more comprehensive Emergency Obstetric Care Services in the hospitals at county level.

3.2.2 Result 2: skilled human resources provided and their management improved

This component of the project is expected to contribute to human resources development through support that will be provided to professional training institutions and the human resources management system. In order to achieve these results, HR training and management should be strengthened, and support has to be provided to public and private training institutions as well as hospitals identified as those that provide teaching resources for specific health cadres. Furthermore, the capacity and engagement of the MOH to manage and retain specifically identified health cadres in the health system should be strengthened. Expected results: (i) a significant increase in the number of well trained South Sudanese registered Nurses and Midwives; (ii) targeted training services that will meet measurable elements of international accreditation and standards, and (iii) health workers retained and deployed increased; gender equity programs in place.

This result will be achieved through the following activities:

1. Supporting Training Centres to provide training for registered Nurses, Midwives and Laboratory Technicians;
2. Work with central MOH to place federal health professionals on a standardized incentive package;
3. Training and deployment of midwives, nurses, and laboratory technicians to rationalized and supported health facilities;
4. Improving the training infrastructure and HR management of the hospitals that will be providing tutoring and coaching for students of the training institutes.

3.3. Risks and assumptions

It is assumed that there will be:

- Full cooperation forthcoming from all health-related government agencies, in particular full commitment by MOH to absorb trainees, and to improve the payroll;
- Sustained leadership and commitment by central and state MOH to the health reforms and the MDGs; this will be supported by a permanent policy dialogue;
- Sustained commitment from the MOH and the partners to maintain and improve a good coordination of donors and national authorities: project priorities are established and monitored in close consultation with the authorities and in accord with state-level priorities;

Risks:

- The independent South Sudan remains in a fragile situation where politico-economic stability may be at risk, and some turbulences could be expected during the transitional period following the independence;
- The national budget is oil-dependent and at present the share for health is 4%. If oil prices and supply sustain significant negative variations, MOH contribution might even decrease.
- Constraints from the natural environment as sources of risks for the implementation.

Further assumptions:
• It will take many years for South Sudan to see significant improvements in the human resource for health crisis but ideas and plans for sustainability must be considered from the beginning; this is a priority and the international community is mobilised to support the necessary efforts in this field;
• Nepotism and other forms of corruption in the public sector health system make successful human resource or other health systems management and development a challenge: some donors are committed to support anti corruption measures and activities; this point needs also to be followed through the political dialogue;

There is a clear understanding that the government will not be able to provide all basic services for the people of South Sudan and will develop a methodology for contracting non-state actors as service providers. There is a consensus among donors to develop service contracts rather than grants for their implementing partners.

3.4. Crosscutting Issues

Crosscutting issues related to the project are as follows:

• The project will have no significant bearing upon any climate change, environmental sustainability issues. However, effective management of the primary health care components targeted by this project includes improved water supply and basic sanitation.
• Gender equity and human rights will be addressed by the project, for instance by organising services so as to ensure equal access and benefits for both men and women, and giving particular recognition to the special needs of the most vulnerable, with older persons, child and maternal health at the core of the BPHS. Furthermore, fight against HIV/AIDS and other communicable diseases are included in the BPHS.
• Both the Health Pooled Fund (HPF) and the Human Resource for Health (HRH) components will foster good health governance of the health sector in providing rationalised use of human and other resources for the government to provide quality basic health services with appropriate health and medical technology applications to current health systems.

3.5. Stakeholders

• The primary beneficiaries are communities in the States of South Sudan.
• Central and States leaders and administrators will benefit from the development of the Health services
• Teams from the Health facilities and Health administration (county, state and central level), and training institutions will benefit from the support of the projects
• International and local NGOs involved in the implementation of the HPF at county level will be among the stakeholders of this project.
• Civil society has an important partnership role in relation to the provision of health facilities and the raising of standards and this will be reflected in HPF delivery mechanisms at the local level.

4. IMPLEMENTATION ISSUES

4.1. Method(s) of implementation

The project is implemented through indirect centralised management for the component "Support to the Health Pool Fund" and through direct centralised management for the component "Human Resources for Health".
Financing Conditions are to be signed.

- **Indirect centralised management: Component "Support to the Health Pool Fund (HPF)"

Indirect centralised management with DFID in view to contribute to the Health Pool Fund, in accordance with Article 26 of Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund. DFID is the lead donor in health in South Sudan and has for a number of years been managing PHC Service Delivery in a bilateral agreement with the MOH. The appendix regarding the verification of the conditions for indirect centralised management provided in art.26 of the EDF Financial regulation is attached to this action fiche.

For the implementation of the EU contribution to the Health Pooled Fund, the Commission will conclude a Delegation Agreement with DFID. The conclusion of this Delegation Agreement will be subject to the Commission being satisfied that the tasks that DFID will sub-delegate to third parties during the implementation of the HPF are in accordance with the applicable EU regulatory and contractual framework.

The Commission and donor partner agencies contribution to the HPF will create a combined funding allowing for a single service delivery project to a much larger geographical area and providing health access opportunities to a greater number of beneficiaries than the Commission or any single donor agency provide alone.

- **Direct centralised management: Component "Human Resources for Health (HRH)"

Direct centralised management in accordance with Article 25 of Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund.

The HRH component is aligned to the new Health Sector Strategy 2011 – 2015 (paragraph 2.1), where skills development and more efficient production and management of the training institutions are set as priorities. Complementarity and coordination of this action with other donors' activities is evident as per paragraph 2.2 (CIDA, DFID, UNFPA). The MOH will be supported by the component, which is designed to address the HRH crisis. Government’s ownership and participation are envisaged through, *inter alia*, the participation of representatives of the MOH to the Steering committee that will be set up.

The HRH component will be implemented through Service, Supply and Works contracts.

The whole component will be supported by an EU Technical Assistance Team (EUTAT), selected and contracted by the EU Delegation through a service contract. A training component, to provide skills transfer and on-the-job training to the MOH in areas of planning, financial management, reporting, and monitoring and evaluation of programmes will be managed by the EUTAT. The EUTAT role will also include providing the EU Delegation with technical expertise tasks and administrative, preparatory and ancillary tasks relating to planning, monitoring, and reporting on project components, procurement, and financial management. The Delegation will be the contracting authority responsible for procurements of works, supply or grants contracts.

The EUTA will be, *inter alia*, responsible for the preparation of Terms of Reference for services contracts and technical specifications for works and supplies contracts. It will also provide long term technical assistance (LTTA) and short term technical assistance (STTA), and any support to hospitals involved in the project. Some grants are also foreseen for entities already implementing actions in the training sector (mostly religious institutions).

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegate body under, respectively, decentralised, joint or indirect centralised management.
4.2. **Procurement and grant award procedures**

1) **Contracts**

All contracts implementing the action will be awarded and implemented in accordance with the procedures and standard documents as laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by current European Development Fund (EDF) Regulations. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in Article 20 of Annex IV of the revised Cotonou Agreement.

2) **Specific rules for grants**

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund.

When derogation to these principles is applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80%. Full financing may only be applied in case provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th EDF.

3) **For the component "Support to the Health Pool Fund" under indirect centralised management**

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant delegated body.

4.3. **Budget and calendar**

The total estimated cost of the project is EUR 11 500 000, all of which shall be financed from the EU Special Fund for Sudan, Council Decision No. 2010/406/EU of 12 July 2010. The indicative breakdown of the project by main components is as follows:

<table>
<thead>
<tr>
<th>Categories</th>
<th>EU contribution (EUR)</th>
<th>Total (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1: Support to the Health Pooled Fund</strong> (Delegation Agreement with DFID)</td>
<td>8 500 000</td>
<td>8 500 000</td>
</tr>
<tr>
<td><strong>Component 2: HR training and management</strong> (Service, supply, works and grant contracts)</td>
<td>2 280 000</td>
<td>2 280 000</td>
</tr>
<tr>
<td>Audits and External Evaluations</td>
<td>400 000</td>
<td>400 000</td>
</tr>
<tr>
<td>Communication and visibility</td>
<td>20 000</td>
<td>20 000</td>
</tr>
<tr>
<td>Contingencies</td>
<td>300 000</td>
<td>300 000</td>
</tr>
</tbody>
</table>
The activities will be implemented through a delegation agreement for the component 1 and service, supply, works and grant contracts for the component 2.

The implementation phase of the project starts from the entry into force of the Financing Conditions and will have duration of 36 months.

4.4. Performance Monitoring

The overall monitoring of this programme will follow the modalities established by the MOH and the Pool Fund Steering Committee. There will be a yearly sector review of the HPF and of the HRH components based on indicators included in each implementer's contract/agreement.

4.5. Evaluation and audit

The EUR 400 000 allocation set aside for audit, monitoring and evaluation shall be used as appropriate. An external mid-term evaluation and an external final evaluation will be included as well as a provision for external audits. Independent consultants recruited directly by the EU Delegation on specifically established terms of reference will carry out these external evaluations. Grants will be audited according to the modalities of the standard grant agreements.

Particular emphasis will be paid to a mid-term review. The EU Delegation, in close consultation with MOH and the Steering Committee set up in pre-implementation planning, shall analyse the conclusions and recommendations of the mid-term evaluation in order to assess, inter alia, the appropriateness of the method of implementation and decide on the follow-up action to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

4.6. Communication and visibility

High attention will be paid to the visibility of the EU contribution to the HPF, following relevant guidelines form the Commission's visibility strategy. At this stage of identification of the HPF design, it is envisaged that a support agency delegated by DFID might be tasked with media releases and other forms of communication, although this needs to be further developed.

However, according to the General Conditions of EU Delegation agreements with a delegatee body, at the beginning of the project implementation DFID will be requested to submit to the Commission a plan of the visibility measures to be taken for the HPF component (e.g.: press releases and other publications, public and cultural activities sponsored by the project, as well as radio programmes and various health events prominently displaying the EU logo; participation of EU Delegation representative in different events, i.e. opening of training sessions, inauguration of facilities, etc).

The EU Delegation will participate and/or be appropriately represented in meetings with the main partners (DFID, other donors). Technical assistance missions to this effect, from the Commission, will be solicited as feasible.

As to the second component (HRH), one desirable communication outcome is to bring central, state, and local level health authorities together on their unique perspectives of HRH planning, management, retention, and current situational analysis. Consequently, the EUTAT, in coordination with their MOH counterpart(s), will be responsible for requesting and disseminating pertinent public reporting information from implementing partners, technical assistants and clinical consultants, and institutional managers in order to best sustain regular communication and visibility outputs to various audiences of stakeholders and beneficiaries alike on achievements and implications of the HRH component.
EU communication and visibility guidelines will be included in each grant/service contract as well as for works and supplies.

These and other activities should be conducted in accordance with the Communication and Visibility Manual for EU External Actions.

**Appendix:** Appendix to Action fiche EDF/SD/23307 regarding the verification of the conditions for indirect centralised management provided in art.26 of the EDF Financial regulation