
Republic of South Sudan
Country strategic opportunities programme
2024–2029

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Action: The Executive Board is invited to review the country strategic opportunities programme 2024–2029 for the Republic of South Sudan.

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Map of IFAD-funded operations in South Sudan



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof. Final status of the Abyei area is not yet determined.

Map compiled by IFAD | 17-11-2023

Executive summary

1. Since attaining its independence in 2011, South Sudan has experienced two civil wars, which ended with the signing of the Revitalized Agreement on the Resolution of the Conflict in South Sudan in 2018. The peace process has stimulated some policy reforms and has increased prospects for long-term stability and development outcomes.
2. South Sudan is ranked as the third most fragile state in the world, reflecting the conflict situation caused by inter-ethnic and intercommunal violence, climate-related hazards, limited socioeconomic opportunities, limited institutional capacity and accountability, and an overreliance on oil revenues.
3. Economic growth has fluctuated since independence and, following a spike of 9.5 per cent in 2019/2020 after the resumption of oil exports, growth fell to 1.2 per cent in 2021/2022 as a result of recurrent floods, political instability, weak institutions, the COVID-19 pandemic and an ongoing inflation crisis.
4. South Sudan ranked last on the 2023 Human Development Index, with 8 million of the country's approximately 12.2 million people estimated to be living in extreme poverty. Food and nutrition insecurity are prevalent. In 2022, 27.5 per cent of children under the age of 5 suffered from stunting and 63.2 per cent of the population suffered from severe malnutrition.
5. IFAD's first engagement in South Sudan was in 2009, but it terminated in 2011 owing to security concerns. A country strategy note was prepared in 2019. Lessons learned since then include the importance of community driven development approaches, the need for adaptive and agile programming and the importance of working within the humanitarian-development-peace (HDP) nexus.
6. This country strategic opportunities programme (COSOP) is aligned with South Sudan's Vision 2040, the Revised National Development Strategy 2021–2024 and various sectoral policies. It is also aligned with the Sustainable Development Goals (SDGs), IFAD's strategic framework and objectives and the United Nations Sustainable Development Cooperation Framework 2023-2025 for South Sudan.
7. **The COSOP's goal** is to contribute to enduring peace and development by improving food and nutrition security and reducing poverty among women, youth and rural communities through inclusive and sustainable agriculture and livelihood transformation.
8. The **COSOP's theory of change** is premised on the principle that strengthening the livelihoods and resilience of rural people will require engagement across the HDP nexus, together with determination of the drivers of fragility and interventions to overcome them. This change will be achieved through the following three strategic objectives (SOs):
 - **SO1:** Increased productivity and resilience of farming systems and associated rural enterprises to help build resilient food systems.
 - **SO2:** Development of inclusive value chains for food and other products serving local, regional and international demand.
 - **SO3:** Enhanced institutional capacity for effective national and local policy development, delivery, coordination, collaboration and monitoring mechanisms.
9. The COSOP will cover the period 2024–2029 and its menu of IFAD interventions will include loan/grant-financed rural investment projects and non-lending activities, such as analytical work in support of policy and regulatory reform, capacity-building, country-level policy engagement and South-South and Triangular Cooperation (SSTC).

Republic of South Sudan

Country strategic opportunities programme 2024–2029

I. Country context

A. Socioeconomic setting

1. **Political context.** Since it attained independence in 2011, South Sudan has experienced two civil wars, which ended with the signing of a Revitalized Agreement on the Resolution of the Conflict in South Sudan in 2018. The peace process has stimulated some policy reforms and has increased prospects for long-term stability and development outcomes.
2. **Fragility.** South Sudan is ranked as the third most fragile state in the world.¹ The structural drivers of fragility include inter-ethnic and intercommunal violence (propelled partly by competition over natural resources), climate-related hazards (drought and flooding was experienced in 8 of the past 12 years), limited socioeconomic opportunities for youth and returnees, weak institutional capacity and accountability and an overreliance on oil revenues.
3. **Macroeconomic development.** The economy stagnated in the decade after independence, but real GDP growth rose to 9.5 per cent in 2019/20 following the resumption of oil exports. However, in 2020/21 the economy contracted by 5.4 per cent and grew by just 1.2 per cent in 2021/22, reflecting the impact of recurrent floods, political instability, the COVID-19 pandemic and an ongoing inflation crisis. Diversified economic growth is needed to achieve significant reductions in rural poverty.

Table 1

Country indicators

<i>Indicator</i>	<i>Data</i>	<i>Year of reference</i>
Gross national income per capita	1,040	2015
GDP growth	1.2	2021
Public debt (% of GDP)	40.8	2020
Debt service ratio	N/A	
Debt-to-GDP ratio	64.4	2022
Inflation rate (%)	27.8	2023 (projected, IMF)
Population size	12.2 million	2023
Population, female	6.16 million	2022
Youth population (18–35 years)	70%	2021
Unemployment rate	19.9	2021
Fragility index	108.4	2022
INFORM Risk Index	8.6	Mid-2023

4. **Demography.** Some 72 per cent of the population lives in rural areas. The population is youthful, with individuals aged 18–35 years making up 70 per cent of the total.
5. **Poverty** is pervasive and the country ranked last on the 2023 Human Development Index,² with over 8 million of its approximately 12.2 million people estimated to be living in extreme poverty. There are some 2 million internally

¹ World Population Review (2023). Fragile States Index 2023. Available at: <https://worldpopulationreview.com/country-rankings/fragile-states-index>.

² World Population Review (2023). Top 10 Countries with the Lowest Human Development Index (HDI). <https://worldpopulationreview.com/country-rankings/hdi-by-country>.

displaced persons and, prior to the recent turmoil in Sudan, there were around 350,000 refugees, with more expected.

6. **Food and nutrition security** has deteriorated severely. In 2022, 27.5 per cent³ of children under 5 suffered from stunting and only 8.3 per cent of children were consuming the minimum acceptable diet required for growth and development. At the same time, 63.2 per cent of the population suffered from severe malnutrition and 87.3 per cent from moderate or severe malnutrition.⁴

B. Transition scenario

7. Limited availability of official macroeconomic data is a constraint for assessing economic trends and developing transition scenarios.⁵ As a consequence, it is only possible to represent one likely scenario: that of a continuation of the status quo. This scenario will be updated at the COSOP midterm review, subject to the availability of data.
8. A joint World Bank–International Monetary Fund (IMF) debt sustainability analysis conducted in March 2023 concluded that South Sudan's debt is sustainable, but that there are substantial downside risks.⁶ It further stated that the risk of public and external distress is high and that there is a need to diversify and expand the revenue base of the Government of South Sudan.
9. In the medium term, a breakdown in the peace process represents the main risk. This risk could be aggravated by severe environmental shocks and increasingly high food and fuel prices precipitated by the wars in Ukraine and Sudan.

C. Food system, agricultural and rural sector agenda

Challenges

10. **Under-developed rural infrastructure** and weak governance severely constrain development of food systems, market access and the rural economy. These infrastructure problems relate to the construction and maintenance of roads, off-farm storage and processing facilities, and electricity, water and telecommunications networks.
11. **Insecure land tenure**, including conflicting statutory and traditional tenure systems and disputes over natural resources, are a source of conflict between pastoralist and settled farmers and a major constraint to agricultural development.
12. **Lack of access to financial services** prevents households from investing in their farming activities and accumulating financial resources to withstand shocks.
13. **Difficult market access** and weak value chains restrict the flow of agricultural produce from rural to urban areas; this situation is aggravated by a weak private sector and limited organizational capacity among farmers.

Opportunities

14. South Sudan, which is richly endowed with natural resources and has a diversity of agroclimatic zones, is capable of feeding its population; however, only 4 per cent of potential arable land is cultivated.
15. There is significant potential for agricultural growth and improved yields of climate-resilient crops, which could reduce the need for imported produce and strengthen household food security and nutrition.

³ Food and Agriculture Organization of the United Nations (FAO) (2023). The State of Food Security and Nutrition in the World 2023. <https://www.fao.org/documents/card/en?details=cc3017en>.

⁴ Ibid.

⁵ International Monetary Fund (IMF) (2022). Republic of South Sudan: 2022 Article IV Consultation and Second Review Under The Staff-Monitored Program. <https://www.imf.org/en/Publications/CR/Issues/2022/08/03/Republic-of-South-Sudan-2022-Article-IV-Consultation-And-Second-Review-Under-The-Staff-521692>.

⁶ IMF (2023). Republic of South Sudan: Third Review Under the Staff-Monitored Program, Request for Disbursement Under the Rapid Credit Facility, and Program Monitoring with Board Involvement-Press Release. IMF Country Report No. 23/108, p.17. <https://www.elibrary.imf.org/view/journals/002/2023/108/article-A001-en.xml>.

16. Support for the establishment and strengthening of agricultural value chains, improved access to markets and engagement with the private sector can further stimulate growth in the sector.
17. The engagement of religious actors and faith-based organizations has the potential to foster local social cohesion, build trust among communities and mediate disputes.

Government policy and institutional framework

18. The country's long-term vision and mission are set out in South Sudan Vision 2040 (produced in 2011), and its goals and strategy are defined in the Revised National Development Strategy (R-NDS) 2021–2024. These two documents express national aspirations to transition from humanitarian aid to a development path that will ensure peace and prosperity at the national and local levels.
19. The Comprehensive Agriculture Master Plan/Irrigation Development Master Plan (CAMP/IDMP), published in 2015, identifies a range of agricultural and rural sector developments for implementation, and South Sudan has since established a food systems national pathway.
20. Key rural development policies and regulations are lacking or outdated, and sector reforms are required on land rights, cooperative policy, stakeholder access to financial services and value chains, among other matters.
21. Capacity in public institutions is generally weak, especially at the local level, and there is an urgent need for skills development in key sectors such as financial management, procurement, data generation and processing, and information and communications technology.
22. South Sudan has significantly increased its commitment under its United Nations Framework Convention on Climate Change Nationally Determined Contribution (NDC). The revised NDC aims to reduce greenhouse gas emissions by 109.87 million tons and sequester 45.06 million tons by 2030 through mitigation measures such as the promotion of biodiversity and sustainable ecosystem, wetland and water management.
23. The COSOP is fully aligned with South Sudan's Vision 2040 and the R-NDS. It will also support the implementation of the country's Comprehensive Africa Agriculture Development Programme, its poverty reduction strategy, CAMP/IDMP and other relevant policies of key national institutions.⁷

II. IFAD engagement: lessons learned

A. Results achieved during the country strategy note

24. IFAD's only prior engagement in South Sudan was through the South Sudan Livelihoods Development Project, which was launched in 2009 but which ended prematurely in 2011, due to the adverse security situation. A first country strategy note was prepared in 2019 and extended to December 2022. Because of the relatively short duration of IFAD's current investments, reporting on results achieved is limited.
25. Two new projects have been approved: the South Sudan Livelihoods Resilience Project (SSLRP) in May 2021 and the Rural Enterprises for Agriculture Development (READ) in August 2023. Two further projects, the Sustainable Agricultural Development Project (SADEP) and the Strengthening Adaptation through Institutional Building and Resilient Livelihoods in South Sudanese Agropastoral Landscapes (SABRELA), are being designed.

⁷ Key institutions include the Ministry of Agriculture and Food Security (MAFS), the Ministry of Livestock and Fisheries (MLF), the Ministry of Environment and Forestry (MEF), the Ministry of Water Resources and Irrigation (MWRI), the Ministry of Gender, Child and Social Welfare (MGCSW), the Ministry of Wildlife Conservation and Tourism (MWCT), the Ministry of Youth and Sports (MYS) and the Land Commission (LC).

26. As part of its engagement in the HDP nexus, IFAD, in collaboration with the World Bank, is playing a leading role in the establishment of a single project coordination unit within the Ministry of Agriculture and Food Security.
27. IFAD has been instrumental in galvanizing development partners to support the resilience agenda and in bridging the gap between humanitarian and sustainable development. The ability of the Ministry of Agriculture and Food Security to attract and financially manage investments has been improved, and the resilience approach has been adopted by many key partners.

B. Lessons from the country strategy note and other sources

28. Lessons drawn from the self-review of the country strategy note, experience in the field and feedback received during multi-stakeholder COSOP consultations are outlined below.
29. **Community driven development (CDD)** approaches have been highly effective in promoting local service provision and in realigning the roles of different actors. They have also facilitated the introduction of a transformative approach to gender and climate response.
30. **Targeting.** Given the high numbers of vulnerable groups throughout the country, mixed targeting methods – based on quotas for the most vulnerable, determined through community participatory processes – are more effective than traditional targeting strategies.
31. **An integrated approach.** In the context of the HDP nexus, an integrated rural approach can address some of the drivers of fragility and food and nutrition insecurity by promoting the production of nutritious foods and nutrition-sensitive value chains and by engaging the private sector in rural market development. In the context of high levels of risk and fragility, an adaptive and agile programming approach is required.
32. **Climate-resilient investment.** In view of South Sudan's extreme vulnerability to climate change and its limited preparedness to respond, all development interventions must ensure that climate resilience measures are factored into policies and strategies and the design and implementation of projects.
33. **Due to weak institutional capacity** and governing systems, international financial institutions have outsourced project and programme implementation to third-party implementing agencies. Although such outsourcing reduces delivery risks, it limits opportunities for building government capacity and ownership of projects and for country-level policy engagement (CLPE), and technical assistance is required to strengthen project coordination units and implementing agencies.
34. **Lessons from development partners operating in South Sudan** include the need to work within the framework of the HDP nexus, the importance of addressing the root causes of fragility, the need for development actors to remain engaged and be willing to accept higher levels of risk and the importance of building an inclusive and resilient social contract between citizens.

III. Strategy for transformational country programmes

A. COSOP theory of change

35. Given South Sudan's extreme fragility, vulnerability and susceptibility to conflict, the COSOP's theory of change is premised on the principle that transitioning to peace and strengthening the resilience, livelihoods, food security and nutrition of rural people will require the identification of the drivers of fragility and of entry points for interventions to overcome them. By adopting a "do no harm" approach and engaging in the HDP nexus, IFAD projects will aim to minimize competition and conflict over scarce resources by supporting interventions that will improve agricultural productivity and income generation in rural communities (among

women and youth in such communities, in particular). CLPE and other capacity-building measures will aim to address institutional weaknesses in key government agencies. Adaptive and agile programming will be adopted to mitigate ongoing risks and uncertainty.

36. The COSOP theory of change is aligned with the South Sudan United Nations Sustainable Development Cooperation Framework 2023–2025, the IFAD Strategic Framework 2016–2025 and the updated approach for IFAD’s engagement in countries with fragile situations.⁸ It will also directly contribute to SDGs 1 (no poverty), 2 (zero hunger), 5 (gender equality), 10 (reduced inequalities), 12 (responsible consumption and production), 13 (climate action), 15 (life on land), 16 (peace, justice and strong institutions) and 17 (partnerships).

B. Overall goal and strategic objectives

37. **The COSOP goal** is to contribute to enduring peace and development in South Sudan by improving food and nutrition security and reducing poverty among women, youth and rural communities through inclusive and sustainable agriculture and livelihood transformation.
38. The COSOP’s strategic objectives are:
- **SO1: Increased productivity and resilience of farming systems and associated rural enterprises to help build resilient food systems.** Increased food security and nutrition resilience will be supported through the promotion of climate-smart crops and farming systems, climate-resilient infrastructure (food storage, multi-purpose water infrastructure), market-related climate information services, mechanization, crop diversification, sustainable natural resources management, disaster preparedness and adaptation to climate change and strengthening of producers’ and community organizations, with emphasis on strengthening women’s leadership. Support will be delivered through a CDD approach to develop social capital within fragmented communities and reduce competition over scarce resources. Household methodologies, including the Gender Action Learning System (GALS), will be adopted to empower women within families and communities and promote greater inclusion of youth. Project design and implementation under all SOs will be informed by enhanced fragility assessments.
 - **SO2: Development of inclusive value chains for food and other products serving local, regional and international demand.** In the face of existing fragility and conflict risks, SO interventions will aim to create a platform for the progressive development of inclusive, nutrition-sensitive value chains that include staples (sorghum, maize, sesame), horticultural crops (bananas, sweet potatoes and others), cattle and fish, all of which have food security and employment potential. Interventions under the COSOP will also explore investments in high-value commodities (coffee, tea, honey, groundnuts and sugar) that have potential for export to neighbouring countries and will support graduation of small-scale farmers and promote off-farm employment creation.⁹ Investments to support value addition in the dairy, poultry and small stock sectors, which are more favourable to women, will also be considered. Improved access to rural microfinance and collaboration with the private sector and Government in developing market-oriented production will link small-scale farmers to the buyers of agricultural

⁸ EB 2023/138/R.2.

⁹ United Nations Development Programme (UNDP) (2022). South Sudan Agricultural Value Chain: Challenges and Opportunities. https://www.undp.org/sites/g/files/zskgke326/files/2022-12/South%20Sudan%20Agriculture%20Value%20Chain%20Study_UNDP_Print.pdf.

produce, food processors and service providers in rural towns. Inclusive value chains will promote local economic growth and income-generating opportunities for youth and further reduce drivers of conflict. Consideration will be given to implementing IFAD's multi-donor Financing Facility for Remittances to encourage migrant investment and entrepreneurship in value chains.¹⁰

- **SO3: Enhanced institutional capacity for effective national and local policy development, delivery, coordination, collaboration and monitoring mechanisms.** CLPE will aim to strengthen government structures, train officials at the national and local levels and improve existing policies, regulations and administrative systems. CLPE will also help to ensure more effective implementation of projects in the COSOP lending portfolio. Rural institutions (traditional authorities and community organizations) will be trained to improve participatory policy development, implementation, crisis management and monitoring processes. To promote government ownership of interventions, oversight capacity in an integrated coordination unit and in project coordination units will be strengthened. Given the risk of further conflict, consideration will be given to adopting a multi-phased programmatic approach and a longer-term view of resilience and capacity-building in local institutions. The need for women's leadership and voices in these institutions will be emphasized, and capacity will be developed to ensure institutional accountability in strengthening gender equality and in empowering youth. In support of community-level peace-building, local authorities, chiefs, religious leaders and community-level organizations (where these exist) will be trained to deal with conflict management and dispute resolution.

Sustainability

39. CDD approaches, combined with skills development, will be central to the sustainability of COSOP interventions. Promoting collective action and decision-making will lower the risk of conflict and help to build the social capital necessary for continued community development. Nurturing partnerships between businesses and producers' groups in growing value chains will create market incentives for future self-sustaining trading relationships. Building the capacity of government institutions will help ensure the effectiveness of projects and the sustainability of all IFAD investments. An emphasis on post-project sustainability (administrative responsibility, budgetary allocation) will be integrated into project designs and will form part of exit strategies negotiated with the Government.

Scaling up

40. Mobilization of networks of rural institutions will enable these institutions to grow, providing services to more people and creating pathways for new groups to link to these networks for support and graduation – although the risks posed by renewed conflict are recognized.
41. Where conditions permit, expanding food-based, nutrition-sensitive value chains around local production clusters will create economic incentives for other producers and buyers to crowd in and replicate such production and trading approaches. An emphasis on nurturing private sector and producers' organizations to provide essential services will create viable models that others can replicate.

Mainstreaming

42. **Women.** A holistic approach will be adopted to empower women and youth by giving them a voice and promoting their participation, reducing women's workloads, and accelerating economic empowerment and developing and rolling out financial products for women and youth entrepreneurs, supported by a tailored

¹⁰ Remittances were estimated to have contributed up to 24.8 per cent of GDP in 2022. World Bank (2022), Remittances Brace Global Headwinds. <https://www.knomad.org/publication/migration-and-development-brief-37>.

targeting strategy and the use of GALS, which will lead to large numbers of (young) women and men supporting positive gender transformation.

43. **Youth.** Support will be tailored to the specific needs and skills of youth and, where feasible, will include training and mentorship in improved production systems and practices, information and communications technologies for development (ICT4D), climate-smart agriculture, off-farm employment opportunities and entrepreneurship. The use of child labour will be strictly prohibited in all IFAD-supported projects and activities.
44. **Nutrition.** A food system approach will be adopted and interventions will aim to revive the agricultural sector for sustainable production of nutritious foods through crop diversification, biofortification and multi-purpose water and market-related infrastructure (storage and processing equipment). Nutrition awareness, education and social and behaviour change communication for enhanced knowledge on dietary diversity will be mainstreamed through community capacity-building.
45. **Climate adaptation and mitigation co-benefits.** In response to climate change, rising temperatures and more frequent environmental shocks (drought and flooding, in particular), interventions will support the development of local adaptation plans, strengthening of early warning systems, access to climate and weather information, climate-resilient infrastructure, climate-smart agricultural practices/technologies, renewable energy, climate insurance, efficient water and land management practices and carbon trading.

Table 2
COSOP strategic objectives

<i>Key development priority (strategic objective)</i>	<i>Institutions involved*</i>	<i>Policy reform challenges</i>	<i>Proposed interventions (lending, non-lending)</i>
SO1	MOFP MAFS MLF MEF MWRI MWCT MGCSW MTI MYS MRB Banks FOs	Legislation and policy needed to: <ul style="list-style-type: none"> • Accelerate land reform and tenure rights • Devolve authority and resources to rural structures and define the respective roles of national, regional and local governments • Evaluate and revise sectoral policies on agriculture, cooperatives, environment, forestry, livestock, fisheries and private sector engagement 	<i>Lending/investment activities:</i> Ongoing: <ul style="list-style-type: none"> • SSLRP • READ Indicative pipeline: <ul style="list-style-type: none"> • SADEP • SABRELA <i>Non-lending/non-project activities:</i> <ul style="list-style-type: none"> • CLPE • SSTC • Knowledge management (KM)
SO2	MOFP MAFS MLF MEF MWRI MWCT MGCSW MTI MYS MRB FOs	Legislation and policy needed: <ul style="list-style-type: none"> • For inclusion of women and youth in development and employment-generating projects. • For youth-promoting structures (National Youth Advisory Council, State National Youth Council Committee and County Youth Forums) to be given a mandate and budget • Tax exemption • Investment promotion 	<i>Lending/investment activities:</i> Ongoing: <ul style="list-style-type: none"> • READ • SADEP <i>Non-lending/non-project activities:</i> <ul style="list-style-type: none"> • CLPE • SSTC • Partnerships • KM
SO3	MAFS LC MFP	Legislation and policy needed: ¹¹ <ul style="list-style-type: none"> • To implement comprehensive macroeconomic reforms • To strengthen public finance management • To reform key government organizations • To support anti-corruption institutions 	<i>Lending/investment activities:</i> Ongoing: <ul style="list-style-type: none"> • SSLRP • READ • GAFSP

¹¹ An extensive list of the required legislation and policy reforms is provided in the R-NDS.

<i>Key development priority (strategic objective)</i>	<i>Institutions involved*</i>	<i>Policy reform challenges</i>	<i>Proposed interventions (lending, non-lending)</i>
			Indicative pipeline: <ul style="list-style-type: none"> • TBD Non-lending/non-project activities: <ul style="list-style-type: none"> • CLPE • SSTC • KM

Note: MOFP = Ministry of Finance and Planning; MTI = Ministry of Trade and Industry; MRB = Ministry of Roads and Bridges; FOs = farmers' organizations; MFP = Ministry of Finance and Planning; GAFSP = Global Agriculture and Food Security Program.

C. Target group and targeting strategy

Target group

46. The primary target groups of the COSOP will be women (60 per cent) and youth (70 per cent), although it must be noted that these two categories will overlap. Beneficiaries will include subsistence and emerging market-oriented producers and associated organizations and enterprises. There will be a particular focus on those who are most vulnerable and living below the poverty line, including women-headed households, child-headed households, unmarried women, widows, single mothers, unemployed youth, refugees (10 per cent), internally displaced persons, returnees, orphaned children, persons with disabilities (5 per cent), people living with HIV, the elderly and former combatants.
47. The combined number of beneficiaries of the SSLRP and READ projects will amount to 450,000 individuals. To this number will be added an estimated 150,000 individuals who are expected to benefit from the projects currently being designed, bringing the total number of beneficiaries under the COSOP to 600,000.

Targeting strategy

48. Due to prolonged war and intercommunal conflict, individuals and communities are distrustful and insecure and engagement with them requires culturally sensitive and participatory approaches. Thus, complementing IFAD's traditional targeting strategies, CDD approaches will be adopted to ensure full participation of community members, including women, youth, returnees, internally displaced persons, persons with disabilities and people from various ethnic groups. Targeting will require engagement with local authorities, chiefs, elders and religious leaders to ensure buy-in and to stimulate a shift in mindset away from discriminatory social norms and attitudes, which is needed to encourage meaningful participation of (young) women.
49. Beneficiary targeting will combine geographical, direct and self-targeting measures. Geographical targeting will be based on security levels, rural poverty and food insecurity, climate vulnerability, agricultural potential, market proximity, road accessibility and presence of local strategic partners to ensure multiplier effects and sustainability. Direct targeting will include quotas for outreach and leadership positions; partnerships with women, youth and children in households and women- and youth-led organizations; and nutrition support targeting households with young/malnourished children. Self-targeting measures will include individuals or groups interested in crop and livestock production, specific economic enterprises and the promotion of technologies that address women's labour burdens. The COSOP will also apply a graduation model whereby returnees and target groups in need of immediate support will be offered cash-for-work opportunities while they are moving towards longer-term income-generating activities.

IV. IFAD interventions

A. Financing instruments

50. A combination of financing instruments will be used to achieve the COSOP's SOs, with the prospect of additional sources of financing beyond the performance-based allocation system (PBAS). Core financing will comprise loans and grants spread across four PBAS cycles (the Twelfth, Thirteenth and Fourteenth Replenishments of IFAD's Resources [IFAD12, IFAD13 and IFAD14]), covering the periods 2022–2024, 2025–2027 and 2028–2030. The proposed IFAD13 and IFAD14 financing will be determined subject to internal procedures and subsequent Executive Board approval.
51. Cofinancing will be sought as a key strategy to cement close collaboration with other development partners and to generate greater impacts.

Table 3

IFAD lending portfolio for the COSOP period (2024–2029)¹²

<i>Project</i>	<i>Objective</i>
SSRLP Ongoing (2018–2026)	Empower communities to participate in decision-making processes to recover agriculture livelihoods, build household resilience and promote stability (SO1)
READ Ongoing (2020–2026)	Empower rural producers' organizations as sustainable and resilient food value chain players (SO2, SO3),
SADEP Being designed (2024–2029)	Increase food production, incomes and resilience of rural communities through development of selected value chains and enhanced market linkages (SO2, SO3)
SABRELA Being designed	Strengthen adaptation through institutional building and resilient livelihoods in South Sudanese agropastoral landscapes (SO1, SO2)

B. Country-level policy engagement

52. CLPE will support the transition from post-conflict fragility to a peaceful state by strengthening government and rural institutions to enable participatory policy formulation and effective implementation and oversight of development projects. IFAD will involve local communities in policy dialogues, ensuring that their voices are heard and that the needs and perspectives of marginalized and vulnerable groups are considered.
53. IFAD projects will conduct assessments of the nature and extent of the skills gap in partnering government organizations and will determine the type of CLPE support required by each. The support to be provided will be costed and the expected outcomes and indicators will be specified.
54. Priority will be given to policies that address the root causes of conflict, such as the competition for scarce resources, conflicting land tenure rights, youth unemployment, weak sector governance, and weak value chains and market access.
55. Climate resilience will be strengthened by collaborating with the Government and partners in developing and updating climate strategies and in integrating climate adaptation and mitigation strategies into investments.
56. CLPE will support strengthening of the national agricultural and rural database to better inform policymaking and strategy development. This will be accompanied by measures to strengthen monitoring and evaluation (M&E) capacity in key implementing agencies.

¹² Based on an estimate for IFAD13 and IFAD14 financing (US\$18.8 million), which will be dependent on resources available to the country and IFAD internal approval processes.

C. Institution-building

57. In coordination with other development partners, CLPE will be employed to strengthen institutions in four sectors:
- (i) Rural community and producers' organizations to ensure their active participation in policy dialogue, monitoring of agricultural investment plans and improved private sector linkages;
 - (ii) Partnering government agencies (national, state, county) to enhance their capacity for policy development, fiduciary management and M&E;
 - (iii) Mechanisms to facilitate partnerships between the private sector, producers' organizations and government institutions to support value chains; and
 - (iv) Third-party implementing agencies, given their expected continued role in implementation.

D. Innovation

58. Two forms of innovation will be required during the COSOP. The first is to identify effective ways to de-escalate conflict and build foundations for a secure peace that will enable inclusive development. This will entail the adoption of approaches adapted to South Sudan's unique conflict-affected situation. The second includes more conventional innovations to improve food security, nutrition and resilience, involving different forms of climate-resilient agriculture, produce storage, processing, data generation, M&E, etc.

E. Knowledge management

59. Knowledge management (KM) will be data-driven, oriented towards policy and operational applications and structured within defined workstreams under the SOs. A full KM framework and priority topics will be detailed in the first year of the COSOP. Of particular importance will be the documentation of experience gained in implementing projects in fragile post-conflict situations and the effectiveness of measures pursued. This will be further informed by lessons learned from CLPE activities, which in turn will inform subsequent policy formulation and scaling up.

F. Information and communications technologies for development

60. The COSOP will support the use of ICT4D to develop integrated value chains, which will employ digital services that enhance productivity and value chain efficiency. This will be achieved through the promotion of platforms that enable institution- and ecosystem-strengthening and market linkages by connecting small-scale producers with agribusinesses and agroentrepreneurs. IFAD will seek to partner with the private sector in applying remote sensing technologies, satellite imagery, the internet of things, geographical information systems and early warning systems that provide climate-smart advisory services to map vulnerable areas and assess the impacts of climate change.
61. IFAD projects will promote the digitalization of village savings and loan associations and strengthen the capacity of cooperatives to act as brokers and intermediaries of digital financial services, thereby enhancing financial inclusion. It will coordinate with other humanitarian partners to share data and promote evidence-based M&E.

G. Strategic partnerships and South-South and Triangular Cooperation

Government and civil society

62. Key partnerships under the COSOP will be formed with national ministries and institutions and with state, county and local government agencies to strengthen decentralization; these partnerships will serve as important entry points for CLPE.

Efforts will also be made to strengthen networks of community-based organizations and to partner with farmers' and producers' organizations.

Development partners

63. Given the need for close engagement between humanitarian and development work in post-conflict contexts, IFAD will play a key role in support of the HDP nexus and will deepen its Rome-based partnerships with the World Food Programme and FAO and with other organizations operating in this field.
64. IFAD is a key partner in the current United Nations Sustainable Development Cooperation Framework, and further partnerships will be forged with United Nations specialized agencies and other institutions, through cofinancing arrangements and through strengthening of project implementation capacity in the areas of youth employment, nutrition and climate change. Local and international NGOs will be important partners, both for their experience and skills in operating in fragile and conflict-affected situations and as potential project implementing agencies.
65. Important partners for sourcing cofinancing and collaboration will include the United Nations Development Programme, the World Bank, and the Global Agriculture and Food Security Program (GAFSP), for institutional support, agricultural development and value chain development; the European Union and the African Development Bank, for infrastructure investments; and the Global Environment Facility (GEF) and Least Developed Countries Fund, for addressing climate vulnerability and building resilience.

Private sector

66. Businesses in prioritized value chains will be key partners as providers of inputs (such as seed), buyers of produce and providers of financial services, telecommunications and other services essential to the establishment of an enabling environment for inclusive rural transformation. Potential synergies with the private sector along value chains will be identified and strengthened, and partnership opportunities with other international financial institutions will be explored to support private sector development initiatives.
67. Private sector actors targeted will include the chamber of commerce, input suppliers, agro-dealers, seed companies, farmers' institutions, traders, local small-scale processors, financial institutions and telecommunication networks.
68. Support for the private sector will be preceded by a thorough analysis of the requirements for generating pro-poor benefits and the possible risks of collaborating with private businesses in enhancing small-scale farm production and developing commodity value chains, with special attention to gender and environmental issues.

South-South and Triangular Cooperation

69. Opportunities for SSTC will be actively pursued, particularly in relation to experience gained in post-conflict and fragile states. A knowledge-sharing and dissemination mechanism will be developed with countries offering potential partnerships and collaboration on selected value chains. Countries with similar agroecological contexts in the subregions will be targets for these knowledge management initiatives. Lessons learned from youth development and environmental and climate change management initiatives will be of particular importance. Within the East African region, the COSOP will facilitate exchanges on inclusive value chain development, household methodologies such as GALS, successful institutional support, policy formulation and sector M&E. Beyond the region, further partnerships will be explored, for example with China and India.

V. COSOP implementation

A. Investment volume and sources

70. Table 4 shows IFAD financing (based on PBAS allocations under the IFAD12, IFAD13 and IFAD14 cycles) and cofinancing of ongoing and planned investments for the COSOP 2024–2029.

Table 4

IFAD financing and cofinancing of ongoing and planned projects
(Millions of United States dollars)

Project	IFAD		Total costs	Cofinancing		Ratio
	financing	Source		Domestic	International	
Ongoing						
SSLRP	9.8	IFAD11	33.1	1.8	21.5	1:2.38
READ	-	IFAD11	25.4	3.9	21.5	
Planned						
SADEP	9.4	IFAD12	38.2	3.3	25.5	1:3.06
New design	18.8	IFAD13 IFAD14	55.5*	TBD	TBD	
Total	38.0		152.2	14.0	88.5	1:3.00

* Estimate.

B. Resources for additional activities

71. The funds required to fully implement the COSOP will amount to around US\$150 million. Supplementary funding to complement the loan portfolio will be sought from the GEF (US\$10 million), the Adaptation Fund (US\$10 million) and international funding (Kingdom of the Netherlands, European Union, SSTC, GAFSP).

C. Transparency

72. Transparency will be enhanced by communicating project objectives to all stakeholders, and beneficiaries will be encouraged to provide feedback and raise any concerns, which will inform lessons learned and contribute to continuous improvement during the COSOP. Consideration will be given to piloting participatory community audits of supported local interventions and investments, as has been done by IFAD programmes in other post-conflict countries.
73. Further transparency and accountability will be achieved through public disclosure of external audit and supervision reports and publication of information on implementation, achievements, investments and lessons learned.

D. Country programme management

74. Due to prevailing security risks in South Sudan, the country programme is managed by the country director based in the multi-country office in Addis Ababa. The IFAD Country Office in Juba, led by a country programme officer, will strengthen in-country management.
75. IFAD will leverage the third-party implementation modality currently being used under the ongoing investments in South Sudan. However, this will be subject to review and to adjustment where necessary. The line government ministry is the lead in the execution of projects.

E. Monitoring and evaluation

76. Project implementation will be monitored using IFAD's Operational Results Management System, supervision and implementation support missions, and core outcome indicator surveys. At the COSOP level, progress will be tracked and amendments made through annual results reviews, a midterm COSOP results review in 2026 and a COSOP completion review. Recognizing the weakness of

government M&E systems, IFAD will strengthen results-based management and gender-responsive M&E through project coordination units.

VI. Target group engagement

77. **Beneficiary engagement.** At the design stage and in COSOP annual, midterm and completion reviews, participatory and inclusive consultations and information-sharing with social stakeholders will be instrumental in moving ahead with proposed interventions without disrupting peace and cohesion. Project management unit staff will be trained in beneficiary engagement and feedback methods and in participatory approaches to project implementation and monitoring.
78. **Grievance redress mechanisms** will be instituted in all new IFAD projects and will include standard mechanisms for lodging grievances and details through the feedback channels to be made available to project stakeholders. Information will be shared in an accessible formats and languages.

VII. Risk management

Table 5.
Risks and mitigation measures¹³

<i>Risks</i>	<i>Inherent and residual risk</i>	<i>Mitigation measures</i>
Political / governance / ongoing insurgency	Substantial	Development of business continuity plans for key ministries. Close monitoring of risk by United Nations community
Macroeconomic	High	Allocations under Debt Sustainability Framework terms will enable recovery by the Government of South Sudan prior to repayment deadlines
Fragility and security	High	Frequent conflict/fragility assessments to inform decision-making
Sector strategies and policies	Substantial	CLPE to strengthen sector capacity
Environmental, social and climate context	High	Investments screened to determine environmental, social and climate impacts
Financial management	High	Strengthened financial management at all levels of government
Organization and staffing	Substantial	Strengthen beneficiary capacity to implement development programmes
Budgeting	Substantial	Capacity-building of project staff for budget planning and M&E
Procurement	Substantial	Technical assistance to ensure compliance with IFAD procurement guidelines
Fund flow / disbursement arrangements	Substantial	Capacity-building on disbursement procedures at start-up
Accounting and financial reporting	Substantial	Procurement of stand-alone accounting software and technical assistance on accounting policies and standards
External audit	High	Assessment of the National Audit Chamber at design, with capacity-building where necessary

¹³ See appendix IX for greater detail.

Results Management Framework

Country strategy alignment	Related UNSDCF/SDG outcomes	IFAD's SOs	Key COSOP results			
			Goal and Strategic objectives	Investments and non-financial activities for the COSOP period	Outcome indicators ¹⁴	Output indicators ¹⁴
<p>South Sudan 2040 Vision: Towards freedom, equality, justice, peace, and prosperity for all</p> <p>Revised National Development Strategy 2024: To consolidate peace and stabilise the economy.</p> <p>South Sudan Partnership for Recovery and Resilience (PfRR): focuses on rebuilding trust in people and institutions and restoring productive capacities.</p> <p>National Adaptation Programme of Action (NAPA, 2016): sets out five priority activities for effective climate change.</p> <p>South Sudan Development Initiative (SSDI): implementation framework of the SS vision</p> <p>Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (RARCSS): commitment to restore economic foundations by generating</p>	<p>UNSDCF outcomes:</p> <p>Outcome II: Women and men in South Sudan, particularly youth and vulnerable groups, benefit from and contribute to more sustainable and inclusive economic development, increased economic diversification, improved climate change adaptation and greater resilience to economic shocks.</p> <p>Outcome III: Children, women and men in South Sudan, particularly youth and vulnerable groups, enjoy improved coverage of inclusive, responsive, quality social services and social protection</p> <p>Outcome IV: Women, youth plus vulnerable groups are empowered to</p>	<p>Strategic Objectives:</p> <ol style="list-style-type: none"> 1. Increase poor rural people's productive capacities; 2. Increase poor rural people's benefits from market participation; and 3. Strengthen the environmental sustainability and climate resilience of poor rural people's economic activities 	<p>Overall goal: To contribute to enduring peace and development in South Sudan by improving food and nutrition security and reducing poverty among women, youth and rural communities through inclusive and sustainable agriculture and livelihood transformation</p>	<p>Investment activities</p> <ul style="list-style-type: none"> • SSLRP • READ • SADEP <p>Non-financial activities</p> <ul style="list-style-type: none"> • KM • Capacity-building • CLPE • Partnerships • SSTC 	<p>Goal indicators¹⁴:</p> <ul style="list-style-type: none"> • Households with increased asset ownership (Target: 60%) • Households reporting improved food security measured by the Food Insecurity Experience Scale (FIES) – (Target: 60%) • Change in HH dietary diversity index within targeted communities (Target: 15%) 	<p>Outreach indicators¹⁴:</p> <ul style="list-style-type: none"> • CI 1: Persons receiving services promoted or supported by the project (Target: 600,000) • CI 1.a: Corresponding number of households reached (Target: 200,000) • CI 1.b: Estimated corresponding total number of households members (Target: 1,200,000)
			<p>SO 1: Increased productivity and resilience of farming systems and associated rural enterprises to help build a resilient food system in South Sudan</p>	<p>Investment activities</p> <ul style="list-style-type: none"> • SSLRP • READ • SADEP <p>Non-financial activities</p> <ul style="list-style-type: none"> • KM • Capacity-building • CLPE • Partnerships • SSTC 	<ul style="list-style-type: none"> • CI 1.2.4: Households reporting an increase in production (Target: 60%) • CI 3.2.2: Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (Target: 60%) • Households regularly access to climate information services that promote resilience and productivity of ecosystems (Target: 30%) • Viable small agribusiness enterprises developed (Target: 300) • Rural cooperatives in project areas strengthened and providing adequate 	<ul style="list-style-type: none"> • CI 1.1.3: Rural producers accessing production inputs and/or technological packages (Target: 105,000) • CI 1.1.8: Households provided with targeted support to improve their nutrition (Target: 75,000) • CI IE.2.1: Individuals demonstrating an improvement in empowerment (Target: 25%) • CI 3.1.4: Land brought under climate-resilient management (Target: 50,000) • Rural micro enterprises established (Target: 300) • CI 2.1.3: Rural producers' organizations supported (Target: 150)

¹⁴ Disaggregated by sex, youth, indigenous people, and persons with disabilities where appropriate.

Country strategy alignment	Related UNSDCF/SDG outcomes	IFAD's SOs	Key COSOP results			
			Goal and Strategic objectives	Investments and non-financial activities for the COSOP period	Outcome indicators ¹⁴	Output indicators ¹⁴
employment and improving livelihoods The Public Financial Management and Accountability Act (2011) : guides the country's Public Financial Management (PFM) architecture	demand and exercise their political, economic, social, environmental and cultural rights SDG outcomes: <ul style="list-style-type: none"> • SDG 1: No poverty • SDG 2: Zero hunger • SDG 5: Gender equality • SDG 8: Decent Work and Economic Growth • SDG 9: Industry, Innovation and Infrastructure • SDG 10: Reduced Inequalities • SDG 13: Combat climate change and its impacts • SDG 15: Life on land 				services to members (Target: 80%)	<ul style="list-style-type: none"> • CI 2.1.6: Market, processing or storage facilities constructed or rehabilitated (Target: 25)
		SO 2: Accelerated development of inclusive value chains for food and other products serving local and regional demand	Investment activities <ul style="list-style-type: none"> • SSLRP • READ • SADEP Non-financial activities <ul style="list-style-type: none"> • KM • Capacity-building • CLPE • Partnerships • SSTC 	<ul style="list-style-type: none"> • Reported increase in household income (Target: 25%) • Increased volume of exported commodities (Target: 25%) • CI.2.2.6 Beneficiary households reporting improved/increased physical access to markets, processing, and storage (Target: 80%) • Increased volume of improved seed multiplied and marketed (Target: 25%) 	<ul style="list-style-type: none"> • Volume of marketed farm output for selected products (Target: 25% increase) • Entrepreneurs trained on regulatory framework (Target: 150) • Business enterprises accessing to market opportunities (Target: 25) • Business plans developed and financed (Target: 25) • Processors or groups accessing to finance (Target: 25) • CI 2.1.5: Roads constructed, rehabilitated or upgraded (Target: 100 KM) • Crop seed varieties tested and released by NARIs (Target: 3) 	
		SO 3: Enhanced institutional capacity for effective national and local policy development, delivery, coordination, and monitoring mechanisms	Investment activities <ul style="list-style-type: none"> • SSLRP • READ • SADEP Non-financial activities <ul style="list-style-type: none"> • KM • Capacity-building • CLPE • Partnerships • SSTC 	<ul style="list-style-type: none"> • Policy and regulatory frameworks are strengthened and operationalized (Target:5) • New policies and strategies enacted and implemented by the government (Target:5) • CI Policy 3: Existing/new laws, regulations, policies, or strategies proposed to policy makers for approval, ratification or amendment (Target: 5) 	<ul style="list-style-type: none"> • Policies and strategies developed relating to rural and agricultural reform supported (Target: 5) • Trainings programs delivered on implementation of relevant policies and strategies (Target: 20) • Policy 1: Policy-relevant knowledge products completed (Target: 5) 	

Country strategy alignment	Related UNSDCF/SDG outcomes	IFAD's SOs	Key COSOP results			
			Goal and Strategic objectives	Investments and non-financial activities for the COSOP period	Outcome indicators ¹⁴	Output indicators ¹⁴
					<ul style="list-style-type: none"> • Strengthened SHF organizations are influence decision making at National and regional levels (Target:500) • Increased representation of women and women associations in policy level (Target: 30%) 	<ul style="list-style-type: none"> • Smallholder farmer organizations participating in consultation process for decision makings (Target: 500) • Women and women associations involved in national and regional level consultations for decisions (Target: 30%)

Key files

Key file 1: Rural Poverty and agricultural sector issues (refers to chapter I C)

Priority Areas	Affected Group	Major Issues	Actions Needed
Food and nutrition security for 7.74 million food insecure rural people	Pastoral, agro-pastoral and smallholder farmers households	<ul style="list-style-type: none"> • Production system remains vulnerable to shocks (climate and price). • Small scale production with limited access to improved inputs, technology and supporting services. • Conflict induced market failures for households. • Increasing cattle diseases and cattle raids • High # of households with inadequate dietary intake • Limited access to agricultural technologies and services • Scarcity and volatility of water supply. 	<ul style="list-style-type: none"> • Foster production systems, through improved technology, increase land utilisation and organization. • Support rain-fed production under good agricultural practices, with small scale irrigation. • Support agro-pastoral and pastoral production under good practices, with household food diversification thru farming • Increase access to gender responsive supporting services. • Improve macro-economic management. • Promote peace and local participation. • Enabling coordinated country-led processes • The COSOP will explore opportunities for better harmonization between customary and statutory land systems through the application of key pieces of legislation related to land (the Land Act, the Local Government Act, and the Investment Promotion Act). The CDD approach and the FPIC will facilitate information gathering and harmonization.
Rural production and productivity constraints	Rural population [agro-pastoral, pastoral and smallholder households]	<ul style="list-style-type: none"> • Limited access to quality inputs at affordable rate. • Elusive peace at local levels. • Shortage of secure access to crop land for agro-pastoralists • Low yield/acre or feddan by farming HHs • Poor market infrastructure • Lack of access to financial services • Destruction of Crop by Pests and diseases • Climate change (drought, flooding) • Lack of access to value addition technologies • Weak farmer institutional capacity • Destruction of crops by pastoralist • Conflicts between pastoralist and farming communities • Small areas harvested / capita. • High (up to 40%) post-harvest losses 	<ul style="list-style-type: none"> • Improve extension services, advising on type and source of inputs. • Work with agro dealers to tailor products and payments to meet target group's needs. • Support appropriate sector regulations. • Improve gender disaggregated farm data on production and productivity. • Co-finance with partners to strengthen safety nets approach
Persistent market failures for rural folks	Small producer	<ul style="list-style-type: none"> • Lack of access to markets under remunerative conditions (e.g. clear pricing, quality requirements). • Coordination along the commodity value chains weak. 	<ul style="list-style-type: none"> • Increase coordination along value chains. • Strengthen producers' organizations. • Partner with private sector on in- and output side and oversee that partnership agreements are beneficial for small producers (sustainable).

Priority Areas	Affected Group	Major Issues	Actions Needed
		<ul style="list-style-type: none"> Absence of pro-active private sector (besides for Tobacco). Relatively weak degree of organization of farmers. Lack of storage facilities (quality and preservation) Poor market linkages (MIS, access roads) 	<ul style="list-style-type: none"> Support appropriate sector regulations. Promote local peace. Improve macro-economic management. Support investments in strategic rural infrastructures to promote local and regional trade
	Agro-pastoral and pastoral households	<ul style="list-style-type: none"> Conflict-induced trade disruptions and food supplies High taxation levied on livestock trade by authorities. Insecurity induced livestock market supplies and trade 	<ul style="list-style-type: none"> Address peace and the profiling of traders Better understanding of the changing nature in livestock ownerships and trade to improve programming. Develop livestock value chain. Strengthen pastoral and agro-pastoral organizations, to lobby for desired change in their system
Environment (Natural Resource Management)	Pastoral and agro-pastoral communities, smallholder farmers, vulnerable people	<ul style="list-style-type: none"> High rate of deforestation Land degradation leading to soil erosion Cutting of trees for charcoal production 	<ul style="list-style-type: none"> Programmatic afforestation and forest conservation and management Awareness creation and capacity development Provision of alternative energy sources such as improved stoves, solar Landscape planning and management Engage private sectors in Environmental Management businesses such as Nursery development, seedling selling, agro-forestry, watershed management. Capacitate financial institutions to provide green loans. Leverage climate finance
Climate Change	Pastoral and agro-pastoral communities, smallholder farmers, vulnerable people	<ul style="list-style-type: none"> Flooding, Drought 	<ul style="list-style-type: none"> Strengthening of advisory services, including the collection and interpretation of weather data, timely dissemination to farmers Integration of budgeted climate adaptation and mitigation interventions into project planning, design and implementation (Example use of water intensive crop and irrigation developments in high flood areas, drought resistant crops in drought prone areas...) Capacity development Strengthening the Disaster Risk Mechanism Partnership with development partners, government, private sector etc Leverage climate finance
Climate resilient rural infrastructure	Rural population	<ul style="list-style-type: none"> Underdeveloped and poor conditions of rural roads, rural infrastructures for post-harvest handling, agro-processing, transport, and storage. Roads and bridges damaged by severe weather events, rendering access to/from rural areas more difficult. 	<ul style="list-style-type: none"> Investments in and appropriate, cost-efficient maintenance of rural roads/bridge. Investment in small/medium scale irrigation schemes. User-based management and maintenance of irrigation schemes. Provision of rural water for multi-purposes Leverage climate finance under partnerships

Priority Areas	Affected Group	Major Issues	Actions Needed
Livestock, fisheries, and crop value chains	Rural population and SMEs	<ul style="list-style-type: none"> • Road repairs and maintenance operation absent • Inadequate <i>affirs</i> or valley dams for livestock • Underdeveloped and poor conditions of rural water for both households' consumption and for livestock • Absence of rural financial services to support. • Lack of rural electrification • Limited skills and capacity • Lack of appropriate service provision for small producers/SMEs, smallholders, and other VC actors 	<ul style="list-style-type: none"> • Strengthen partnership and potential support of effects of floods. • Support formulation of regulatory framework for MFIs. • Support establishment of sustainable model of private sector service provision to address issue. • Promote value chain for staples – selected based on a combination of local production capacity, food security potential, household consumption, livelihood sustainability (employment), export potential, local market demand, feasibility of production, and availability of base inputs

Key file 2: Target group identification. Priority issues and potential response (refers to chapter I-C, III-C)

Typology	Poverty Levels and Causes	Coping Actions	Priority Needs	COSOP Response
Women	<p>60 % of farmers are women Women have lower literacy rates than men (28 percent) Extension services are mainly targeted to men at 88.7 % compared to women at 9.7 % Close to 57 % of women experiencing sexual and GBV do not report Despite challenges, women have the role to feed the family</p>	<ul style="list-style-type: none"> Engage in small livestock rearing and gardening Petty jobs Tea making Construction 	<ul style="list-style-type: none"> Access to skills training Access to finance Access to education Access to sexual and reproductive health services and rights Access and control over assets and resources Respect and rights Safe spaces for SGBV victims Decision-making power Access to producer groups Nutrition training Access to markets Secure access to land and assets 	<ul style="list-style-type: none"> Food and nutrition support Skills training Off-farm opportunities Food and nutrition education and support Land tenure support Time and labor-saving technologies Financial literacy Agricultural inputs, tools and technologies Training on value addition, post-harvest loss handling Household methodologies to shift mindsets and address unbalanced gender dynamics

<p>Unemployed young men and women Including former young combatants, returnees</p>	<p>70 % are between 18-35 years old Youth literacy rate is at 27 % Youth are in non-wage, low productivity employment. Trauma from past events Gangster groups, influenced from other peers Lack of education, including in cattle camps Limited employment opportunities Limited access to finance, including loans Limited access to agricultural tools and seeds Lack of training in modern agriculture Lack of access to practical hands-on skills like post-harvest handling and practices</p>	<ul style="list-style-type: none"> ▪ Beg relatives, especially uncles for financial support ▪ Domestic work, laundry ▪ Manual work ▪ Children act as ‘conductors’ leading people to taxis and buses ▪ Small agricultural work, okra in the compound, at home to sell at the market 	<ul style="list-style-type: none"> • Access to land, agricultural tools, and seeds • Access to education, skill training, including technical and business skills • Access to finance • Support & start-up capital to start small businesses • ICT and innovation and training • Climate-smart skill training • (financial) literacy to manage income and saving • Access to social services • Access to psychosocial support and mental health services • Employment opportunities 	<ul style="list-style-type: none"> • Link skill-based training with life-skill training, and provide access to agricultural tools and inputs, • Access to skill-based training • Access to rural finance enhanced basic and financial literacy (build on stakeholder’s work to close literacy gaps, such as UNESCO) • Access to climate-smart technologies and practices and training for improved adoption • Access to decent on- and off-farm employment, including temporary income-generating activities for livelihood diversification. • Facilitate access to assets, such as land for production • Facilitate safety nets (relevant insurances...) and favorable eligibility criteria for youth to access finance • Household methodologies to shift mindsets and address unbalanced gender dynamics and discriminatory age hierarchies; further, HHs shall reduce SGBV
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<p>Persons with disabilities</p>	<p>Only 1.37 % of all enrolled pupils were children with disabilities in 2012 According to the National Disability Assessment, 89.3 % were unemployed, 4.5 % employed, 62 engaged in a business. Lack of access to education, including training No assets like land Limited access to finance Lack of employment opportunities No access to agricultural tools/inputs Unfriendly working environment Lack of skills Stigma and discrimination SGBV Lack of protection, abandonment Lack of inclusive policies Environmental and institutional barriers Data scarcity Limited access to assistive devices, inclusive transportation and mobilization</p>	<ul style="list-style-type: none"> ▪ Begging ▪ Small activities like preparing bags out of plastics. ▪ Small-scale agriculture, vegetable garden ▪ Dependence on family members ▪ Tiny businesses like selling charcoal. 	<ul style="list-style-type: none"> • Provision of access to education/water/electricity/infrastructure like feeder roads • Access to loans/collateral • Access to employment and training (TVET, start-up capital, capacity building, provision of inputs and tools) • Inclusive and conducive environment and institutions (inclusive policies in all aspects like education, health); access to health care, disability-inclusive transportation • Acceptance and respect • Access to reasonable accommodation (universal design) & access to sign language training and interpretation 	<ul style="list-style-type: none"> • Access to finance • Access to training and employment • Provision of agricultural tools, technologies and inputs • Changing harmful social norms, attitudes and behaviors tackling stigma and discrimination • Working with OPDs for appropriate targeting, meaningful engagement, and for institutional strengthening on disability inclusion • Where possible, investments in disability-inclusive infrastructure and facilities • Where possible, provision of reasonable accommodation and disability-friendly language for enhanced access to information
<p>IDPs/returnees</p>	<p>2,229,657 people are currently internally displaced (Dec. 2022) Sexual abuse/harassment Insecurity No sense of belonging Abduction/no shelter Food shortage and limited access to health care services Lack of basic rights, including access to education High risks of physical attacks Capacity gaps No capital to start small business Lack of land Loss of documentation Family disconnection</p>	<ul style="list-style-type: none"> ▪ Alternative livelihood such as making tea, bread, selling charcoal ▪ Provision of home services such as washing, cooking to families ▪ Teachers/nurses provide services within the IDPs ▪ brick laying ▪ provision of manual labour services to farm (land cultivation, weeding, harvesting) ▪ distilling local brews 	<ul style="list-style-type: none"> • Access to clean water, land and ownership, good living conditions • Reintegration packages • Peace and Security • Life skill training and capacity building for livelihood support • Agricultural tools • Trauma and mental health support • Access to finance • Legal rights • Empowerment and employment • Cleared mines • Psycho-social support 	<ul style="list-style-type: none"> • Cash for work • Employment opportunities • Reintegration packages • Community-driven development processes centered around community dialogues for social cohesion • Training and capacity building • Access to finance • Provision of agricultural inputs, tools

Elderly	Abandonment Lack of basic services, including access to health care services Poor housing/weak physical structures Scarce resources Limited access to health services Food insecurity Access to finance		<ul style="list-style-type: none"> • Access to food, water, housing and land • Rehabilitation centres • Protection and care for elders • Support pension • Protection policies • Need assessment for elderly • Livelihood packages • Social support systems for elders 	<ul style="list-style-type: none"> • Intergenerational dialogue • Knowledge exchange and integration of traditional knowledge • Leverage local authority systems for mind-shift change and blessing for activities, for instance rainmakers in EES
Subsistence Small-holder farmer	Cultivate rain-fed small plots (1.12 ha on average) with hand labour from family members Only 23 % have legal titles (deed) and 52 % have customary rights Use traditional tools; yield is low Food insecure Insecurity High cost of inputs and labor Limited access to markets due to inadequate infrastructure (road, cold chain, storage) Limited access to credits Limited knowledge on Post-harvest handling practice Land tenure system Limited access to extension service Recurrent natural disasters	<ul style="list-style-type: none"> ▪ Crop production and marketing ▪ Fishing ▪ Rearing of Small ruminants ▪ Petty trade of basic items such as sugar, salt ▪ Production and selling of charcoal 	<ul style="list-style-type: none"> • Access to extension services • Technical training to enhance production and productivity (climate-smart agriculture, post-harvest handling) • Access to finance • Access to agricultural inputs, tools and technology • Nutrient-dense crops • Access to clean water 	<ul style="list-style-type: none"> • Good agricultural practices • Irrigation and soil- and water conservation • Value chain development • Access to rural finance • Nutrition education • Access to rural market infrastructure (roads, cold chain, storage) • Provision of agricultural inputs, tools, technology and knowledge
Subsistence Pastoralist	Raise cattle. Sheep, goat Average herd size varied according to the agro-pastoral zones, Dinka in ironstone plateau holding 400 cattle and 700 sheep/goat vs 120 cattle and 12 sheep/goat for Nuer in NW Nile Produce milk, meat and eggs but don't leverage the potential of hides and skins for markets Lack of animal health services Recurrent natural disasters	<ul style="list-style-type: none"> ▪ Selling of milk ▪ Trade in livestock 	<ul style="list-style-type: none"> • Access to veterinary services/animal health services • Access to water 	<ul style="list-style-type: none"> • Irrigation and soil- and water conservation • Value chain development • Provide access to markets • Forage development

Key file 3: Organisation matrix (strength, weaknesses, opportunities and threats analysis) (refers to chapter I-C,III-B,IV-B, C, G)

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Enablers				
Ministry of Finance, Planning and Economic Development (MoFED)	<ul style="list-style-type: none"> • Knowledge and experience of IFAD procedures • Available leadership • Available mechanism for monitoring and budget implementation 	<ul style="list-style-type: none"> • Limited knowledge of decentralised flow of funds • Inadequate financial management capacity at local levels • Centralized systems and procedures • Weak financial base • Mostly dependent on external aid/ limited revenue generation • Insufficient budget allocation • Lack of effective coordination with other ministries • Inconsistence fiscal policies and regulations implementation • Vulnerability to external shocks 	<ul style="list-style-type: none"> • T: Decentralization will require human resource development, staff training and improvement of the MIS • T: Policy instability and changes 	
Ministry of Agriculture and Food Security	<ul style="list-style-type: none"> • Single PCU supported by IFAD and IDA • Governing structures – Steering and Technical Committees functional • Capable bureaucrats at the helm 	<ul style="list-style-type: none"> • Limited outreach to LGs and communities. • Inadequate technical staffing inadequate and poor motivation • Some critical policies and regulations to be formulated and implemented • Limited funding/resources • Limited access to technological advancement 	<ul style="list-style-type: none"> • O: SPCU at national to coordinate donor-funded programmes • O: CAMP identified investment menu until 2040.O: Government's emphasis to agricultural sector • O: Presence of various actors working in the sector • T: slow delivery due to staff capacity and dispersed targets 	<ul style="list-style-type: none"> • ASWAP recently reviewed • Start-up of SAPP under MoAIWD was delayed by almost 3 years • Instability which hinders flow of timely supply of inputs and products to market
Ministry of Environment and Forestry (South Sudan)	<ul style="list-style-type: none"> • Strong working relationship with IFAD and has provided endorsement to IFAD to mobilize resources for Adaptation Fund, GEF and GCF. 	<ul style="list-style-type: none"> • Limited structure at States and Counties 	<ul style="list-style-type: none"> • O: Hosts all climate finance and could work with development partners to mobilize these resources • O: synergies with other ministries to ensure that climate finances are used to invest on the country's priority agendas of food security, climate resilience, addressing drivers of conflict among others 	<ul style="list-style-type: none"> • Adaptation Fund and GCF project development ongoing by IFAD
Ministry of Local Government and Rural Development	<ul style="list-style-type: none"> • Focuses on rural development beyond agriculture production. • Presence at district level 	<ul style="list-style-type: none"> • Low presence at village level 	<ul style="list-style-type: none"> • O: Work toward rural-transformation promotion of off-farm opportunities • T: somewhat limited capacity at district affecting implementation 	<ul style="list-style-type: none"> • Leading on RLEEP
Service Providers				

Organization	Strengths	Weaknesses	Opportunities/Threats	Remarks
Agricultural Research	<ul style="list-style-type: none"> • Adequate linkages with regional agricultural research networks • MIS for warehouse management, generating data on user (buyer, seller) • Trade-system: matching buyer and seller through various tools (auctions, reversed auctions, forward contracts) 	<ul style="list-style-type: none"> • Not yet self-sustainable, but requires donor support • Focus on cereals and legumes (commodities) • Mostly interacting with larger traders (who, however, buy from smallholders and aggregators) 	<ul style="list-style-type: none"> • O: MIS could generate good ME data • O: forward contracts and reverse auctions could link with contract farming • T: Active with several donor projects, potentially lack of focus on IFAD • O: Business-oriented player 	<ul style="list-style-type: none"> • CEO is open to innovative ideas on promoting price stability • A2F could be improved through ATMs at Warehouses
Agriculture extension services	<ul style="list-style-type: none"> • Knowledge on national context • Support from national authorities • Link to national priorities and policies 	<ul style="list-style-type: none"> • Lack of adequate logistics for intervention • Weak commitment compared to private sector 	<ul style="list-style-type: none"> • O : Institutional development • Finance availability for interventions 	<ul style="list-style-type: none"> •
Client Organizations				
MUSCO	<ul style="list-style-type: none"> • Formation of community member based financial institutions. • Aggregation of groups to SACCOs • Member-based institution with wide outreach to MFIs 		<ul style="list-style-type: none"> • O: As apex body, could have multiplier effect • T: Despite tasked to supervise SACCOs, moral hazard problem since SACCOs are members 	

Key File 4: Strategic partnerships potential (refers to chapter IV-B,G, V-A)

Partnership Objective	Partner	Nature of Project or Justification for Partnering	Project Programme Coverage	Status	Expected results from the partnership
SSO 1 and SSO 2 – XXXXX					
Co-financing	GAFSP 6	Rural Enterprises for Agricultural Development	USD 20 million to support development of Agriculture through youth entrepreneurship	7 years project from 2023 to 2029	<ul style="list-style-type: none"> - Effective funding of the project to reach set development objective - Partnership for implementation of the project
	UNDP		USD 1.5 million		
Co-financing	GAFSP 7	Additional finance to ongoing project – SSLRP	USD 14.5 million additional financing	2023 – 2028	<ul style="list-style-type: none"> - Increase SSLRP impact for results - Increase outreach by two additional counties and 27, 450 additional counties
Co-financing	GEF 8 / LDCF	South Sudan Livelihood Resilience Programme	USD 10 million to support Climate adaptation / resilience and environmental management	2024 – 2027	<ul style="list-style-type: none"> - Complement IFAD activities through strengthening agro-pastoral systems of vulnerable communities and improve capacities for natural resources management to enhance the resilience of the socioecological contexts of selected states in South Sudan.
Co-financing	European Union	Expected financing to support nexus Humanitarian and development. Climate sensitive agriculture, seed system and Producer Organizations			<ul style="list-style-type: none"> - Additional Financing for development - Increase outreach - Greater impact for development results
Co-financing / Parallel co-financing	African Development Bank (AfDB)	Collaboration in joint a programme			<ul style="list-style-type: none"> - Collaboration for synergies and co-financing - Opportunities of infrastructures development for IFAD funded projects
Co-financing	The World Bank	Resilient Agriculture and Livelihood Development Project (RALP)			<ul style="list-style-type: none"> - Strengthening operational capacities of the PCU to implement Bank projects i.e., technical training, extension, advisory and project management.
		South Sudan – Emergency Locust Response Project (SSELRP)			<ul style="list-style-type: none"> - Capacity of Government to plan and eradicate risks of pest's infestation in the country in addition to benefit of harmonising the capacity building interventions to avoid duplication and ensure effectiveness. - Synergy for more impacts on crop and livestock productions for IFAD funded projects
		South Sudan Safety Net Project (SSSNP)			<ul style="list-style-type: none"> - Emergency support to IFAD supported beneficiaries' producers - Joint activities for Nexus humanitarian and development

Collaboration for Engaging in policy and influencing development agendas	World Food Programme (WFP)	Smallholder Agriculture Market Support (SAMS) project.	Country Strategic Plan	2023 to 2025	<ul style="list-style-type: none"> - - Complements IFAD's targeting objectives both in terms of locations and categories of households and strengthens social inclusion through safety net approach, preparing them for development interventions. - - Benefit from data such as the annual Vulnerability Analysis and Mapping (VAM) conducted by WFP - - Complement IFAD on building policy related to national Resilience approach and perspective - - Complement IFAD on nutrition related policy and strategies as well fund mobilization
	GIZ	Community driven project	Community Driven Rural Development Project	2022 to 2024	<ul style="list-style-type: none"> - Complement IFAD ongoing project – SSLRP by working with Local Governments in 2 of the 5 Counties. - Synergies and complementarity include supporting capacity building of the LG structures, depends on the planning approach of SSLRP and providing an integrated approach to risk management - Synergy on Land policy and peasant organizations
Collaboration for regional integration	East African Commission	Different initiatives across South Sudan Ministries	Nationwide and regional	COSOP duration	<ul style="list-style-type: none"> - Promoted opportunities for SSTC - Promoted regional initiatives for funding
Technical scientific collaboration and Synergies	National Agricultural research Institute	Support to research and others production system	Nationwide	COSOP duration	<ul style="list-style-type: none"> - Promoted crop and livestock productive capacities - Resilience building based on experiences - Scientific support to investments - Provision of adapted technics and technologies - Create awareness on importance of agriculture and monitoring of activities in rural areas
	Universities in South Sudan Directorate of Rural Development and Cooperatives				
Collaboration and partnership	South Sudan Banking and micro finance institutions	Support to digital financing and small rural enterprises	Nationwide	COSOP duration	<ul style="list-style-type: none"> - Finance intermediation - Producers benefitting from matching grant initiatives - Effective transfer of fund to beneficiaries
	GSM phone companies				
Joint programming	<ul style="list-style-type: none"> • UN Agencies • African Development Bank 	<ul style="list-style-type: none"> • Building on complementarities in the humanitarian-development-peace nexus • Working with the RBAs to bring together complementary strengths, resources 	All projects	COSOP duration	<ul style="list-style-type: none"> - Greater impact through strengthened synergies across different projects implemented within the UNCT, RBAs and by AfDB - Supporting the implementation of the Food systems pathway and resilience building

		<p>and investments to reduce vulnerabilities and strengthen the resilience of flood-affected communities and people and contribute to social cohesion in selected states.</p> <ul style="list-style-type: none"> • Building on the IFAD-AfDB Compact 			
Partnering through corporate initiatives for SSTC and project implementation support	<ul style="list-style-type: none"> • China SSTC facility 	<ul style="list-style-type: none"> • Knowledge exchange with similar countries on new opportunities to develop the blue economy interventions • To strengthen implementation capacity for IFAD projects 	Stand-alone initiatives to be executed by IFAD and linked to all projects	TBD	- Implementation of IFAD investment projects strengthened
New partnerships to be developed for CLPE and institutional CB	New partnerships to be developed within government and private sector	<ul style="list-style-type: none"> • To complement project investments with analytical and technical support to help roll out new policy initiatives including piloting of new approaches and with institution building • Strengthening capacity for policy analysis and dialogue within both public sector institutions and private sector associations 	<ul style="list-style-type: none"> • Stand-alone initiatives to be executed by IFAD 	TBD	<ul style="list-style-type: none"> - GoSS effectively takes forward new approaches incorporated within its agricultural policy reform - Public sector capacity for policy analysis, development and monitoring is strengthened - Capacity for public-private policy dialogue is strengthened
Knowledge Management and M&E	<ul style="list-style-type: none"> • Local research and academic institutions, CGIAR centres 	<ul style="list-style-type: none"> • KM and M&E is incorporated in all projects— implementation by government partners complemented with technical support from research and academic institutions (local and international) 	<ul style="list-style-type: none"> • Stand-alone initiatives to be executed by IFAD and linked to all projects 	TBD	- Technical rigor of KM and M&E products enhanced

Transition projections

A. Transition Scenarios

1. The purpose of this Appendix is to offer an understanding of likely and possible country trajectories and to identify the possible implications of these for IFAD's country programme over the COSOP period.
2. The weakness of official macroeconomic data provision is a serious constraint in monitoring economic trends in the country and in developing transition scenarios. This is because most official macroeconomic data have significant weaknesses in terms of quality, periodicity, and timeliness. For this reason, it is only possible to present one likely scenario is presented: that of the continuation of the status quo. Subject to the availability of data, the Transition Scenarios will be updated during the COSOP mid-term review.

Table 1: Projections for key macro-economic and demographic variables¹⁵

Case	Baseline [i.e. continued implementation of the R-ARCSS, and supportive economic policies]
GDP per capita (USD, 2023)	467
Av. GDP growth (%) (2023/24-2025/26)	4.9
Public debt (% of GDP) (2023/24-2025/26)	11.8
Debt service ratio (2023)	18.3
Inflation rate (%) (2023)	16.8
Rural population ¹⁶	3,110,000 (2023) 3,992,000 (2029) Annual growth rate: 4.12% (2020-2025)
Investment Climate for rural business ¹⁷	1/6 <ul style="list-style-type: none"> • World Bank Doing Business: ranked 185 out of 190 countries. • Furthermore, South Sudan scored 13 points out of 100 on the 2022 Corruption Perceptions Index, ranking it 178 out of 180 countries. • Inefficient laws and under-resourced institutions with low capacity amid political instability hinder the provision of goods and services, distort the distribution of resources, deteriorate trust in the ability of the state to run the economy effectively, weaken the business climate, boost rent-seeking, and lead to state capture. • Moreover, infrastructure underdevelopment has reduced investor confidence, inhibited investment, and increased the cost of doing business.
Vulnerability to shocks ¹⁸	1/6 <ul style="list-style-type: none"> • World Bank FY23 List of Fragile and Conflict-affected Situations includes South Sudan in the Conflict category. • South Sudan remains vulnerable to significant endogenous and exogenous shocks. Specifically, the country is highly exposed to trade shocks, including higher oil and food prices. Moreover, South Sudan is still faced with an important security risk that would be induced by a breakdown in the peace process and the resumption of large-scale civil conflict. South Sudan is severely exposed to climate change and natural disasters (particularly droughts and floods), which impact people's livelihoods, threaten recovery, and undermine development efforts.

¹⁵ [Republic of South Sudan: 2022 Article IV Consultation And Second Review Under The Staff-Monitored Program](#)

¹⁶ [UN DESA. World Urbanization Prospects 2018](#)

¹⁷ [World Bank Doing Business Report 2020;](#)

¹⁸ [Republic of South Sudan: 2022 Article IV Consultation And Second Review Under The Staff-Monitored Program; World Bank Overview. South Sudan, 20 March 2023](#)

	<ul style="list-style-type: none"> Finally, South Sudan remains in a major humanitarian crisis. Some 9.4 million people, 76% of the population, are estimated to require humanitarian assistance in 2023. This situation is likely to be worsened by the spill over effects of the Ukraine-Russia crisis.
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3. Due to the lack of relevant and accurate data, as indicated, only one scenario is foreseen for the medium-term economic outlook:

→ **Baseline Scenario** i.e. with continued implementation of the R-ARCSS, and supportive economic policies.

The medium-term outlook is for economic recovery and contained inflation while the short-term outlook anticipates negative growth and high inflation.

- According to the IMF, the COVID-19 pandemic and floods reversed the economic recovery stimulated by the 2018 peace agreement. Having grown by 9.5% in FY 2019/2020, real GDP growth is estimated to have declined to 5.4% in FY2020/21 and to 1.2% in 2021/22. The fallout from lower oil prices and restrictions on movement and business operating hours to contain the spread of COVID-19 disrupted economic activity. Flooding further damaged agricultural outputs and hindered oil production.
- Nevertheless, under this scenario and albeit from a low base, GDP growth is projected at 4.6% in FY2023/24 before stabilizing around 5% in the medium term. This outlook depends on the continued implementation of the R-ARCSS, and supportive economic policies, including prudent fiscal and monetary policies and structural reforms to unlock private sector activity. In addition, the non-oil economy will benefit from peace dividends as agricultural activity recovers from civil-war damage.
- With a current GDP per capita of US\$467 (current prices), despite this reasonably strong projected growth rate, the country will remain in Low Income Country status for the foreseeable future. Meaning changes in ODA and financing availability linked to income status are unlikely to change over the medium term. Similarly, the country is on a downward trend in its Rural Sector Performance Assessment score, which declined from 1.9 in 2018 (start of IFAD11) to 1.4 in 2021 (start of IFAD12). This score is now the lowest of all IFAD-supported countries.
- After falling to 2% by end-March 2022, inflation is projected to rise significantly to about 16% in 2023, owing to the recent depreciation of the South Sudanese pound against the US dollar and the global commodity shock from the Ukraine crisis.
- A significant rise in food prices risks exacerbating South Sudan's already-dire humanitarian situation. Even before the increase in commodity prices due to the war in Ukraine, more than half of the population was foreseen to experience hunger in 2022. Moreover, given South Sudan's still-heavy reliance on imported food, the surge in the price of wheat and other staples in global markets will eventually trigger a rise in the cost of living for those households that purchase food in the market and increased shortages for large parts of the rural population that depend on humanitarian assistance.
- The joint IMF-WB Debt Sustainability Analysis (DSA) is limited to central government debt as data collection and compilation presents significant shortcomings in South Sudan. In terms of the debt situation, the DSA indicates that the risk of external debt distress remains high and will remain as is over the medium term. Thus, maintaining debt sustainability while supporting development objectives would require financing in concessional and semi-concessional terms, which is foreseen to be minimal under the baseline. South Sudan's external and overall debt is assessed to be sustainable given the current

recovery in oil prices and contingent on a prudent path for fiscal policy, including refraining from expensive financing such as oil advances.

Risks to the medium-term outlook.

- A breakdown in the peace process and the resumption of large-scale civil conflict represents the main risk for South Sudan's outlook. This could be triggered by the increasingly high food, fertilizer, and fuel prices precipitated by the Russian war in Ukraine, which will primarily impact the most vulnerable and which threaten to worsen an already alarming humanitarian situation. In addition, South Sudan is highly exposed to oil price volatility, so another reversal of oil prices would weigh on the economic recovery and fiscal revenues. It is to be noted that the impact of COVID-19 continues to be subject to uncertainties, and another wave of contamination could have devastating consequences in a country in which the vaccination rate is below 5%. Finally, South Sudan is dramatically vulnerable to climate change, and further large-scale flooding could inhibit the recovery of agriculture from the losses suffered during the civil war.

Projected Implications for IFAD's country programme

(a) Lending terms and conditions

- IFAD 12 Lending Terms for South Sudan are as follows: 90% Grant and 10% Highly Concessional.

(b) PBAS allocation¹⁹

- In line with projected implications for the lending terms and conditions and considering the strong dependency of the country on humanitarian and development aid, if South Sudan remains in the projected scenario, it is likely that the country would opt for a full utilization of its IFAD12 PBAS allocation.
- It is foreseen that it could be challenging for the Government to meet domestic counterpart funding commitments, under such a scenario, given that domestic resources could be channelled to other priority sectors such as health.

(c) COSOP priorities and products

Although it is foreseen that South Sudan would remain within the baseline for most of the COSOP period, the investments scheduled for the first 3 years will focus mainly of productivity and resilience (SO1), particularly on livestock, crop and fishery production. Subsequently, from the 4th year, emphasis will be on development of inclusive value chains (SO2) particularly market access, value addition and processing.

(d) Co-financing opportunities and partnerships.

- After a significant increase in its lending commitments in the South Sudan from US\$172 million in 2021 to US\$553 million in 2022, the World Bank has decreased its commitments to the country to US\$70 million in 2023.²⁰ Nonetheless, this could represent strong co-financing opportunities with the World Bank, but also the IDA, the IFC, as well as the IBRD.
- South Sudan's population remains critically reliant on international humanitarian aid. About 70% of the population was severely food insecure in 2022²¹; nearly 2 million people were displaced within the country, and over 2 million living as refugees abroad. The international community provides for most of South Sudan's social spending through off-budget humanitarian aid (about 25% of

¹⁹ Considering that the PBAS allocation is also affected by project performance and RSP, and ensuring consistency between this and the COSOP main text on the financing framework

²⁰ [World Bank Overview, South Sudan, 20 March 2023](#)

²¹ WFP South Sudan Country Brief (February 2022)

South Sudan's GDP), mostly allocated to food and nutrition, which leaves small room for development purposes such as investment in agricultural productivity.

- Nevertheless, IFAD could explore the possibility to engage further with other key development partners of IFAD in South Sudan, which include notably the World Food Program, the Global Agriculture and Food Security Program, the OPEC Fund for International Development, or the Global Environment Facility to attract more co-financing, and maximize synergies and complementarities of operations.

SECAP background study

Introduction

1. The main objective of the SECAP background study is to carry out an environmental, social and climate change analysis which (i) presents an overview of the status quo and recent development trends (ii) identifies key development challenges and, finally, (iii) proposes key actions that should be integrated into the COSOP. In that respect, the SECAP background study informs the overall development of COSOP. This background study was developed using; (i) a desk review of relevant reports, policies, strategies, programmes, and other literature and (ii) was further informed by feedback from stakeholder consultations.

Part 1 - Situational analysis and main challenges

2. South Sudan became the 193rd member state of the United Nations in 2011. The country had a population of 11.2 million (2020), the lowest population density in East Africa (19.1 persons/square kilometre[1]). South Sudan ranked 185 out of 189 countries in the 2019 Human Development Index, with an index 21 percent lower than the average of countries in Sub-Saharan Africa[2], indicating poor achievement in terms of population life expectancy, education and income. The Gross Domestic Products (GDP) of South Sudan in 2015, was much higher than the neighbouring countries (USD 1,120 per capita vs. USD 847 for Uganda and USD 640 for Ethiopia[3]), mostly driven by oil revenue that is not fairly distributed.
3. **Fragility/conflict:** South Sudan is classified as the fourth most fragile state in the world, resulting from a long-drawn conflict driven by historical, political, social and economic marginalisation. The civil war, which erupted in 2013 led to a breakdown of governance structures, law and order, and the disruption of community institutions that supported livelihoods. Despite a Peace agreement signed in September 2018 between the government and the main opposition group, the situation remains unstable with long-standing tensions between communities over land rights, access to water, grazing areas, and other resources. Civilians are at risk of human right violations such as unlawful killings, torture, violence (including sexual violence), recruitment of child soldiers^[4]; leading to large population displacements and destruction of public assets.
4. Armed conflicts, including political, inter-communal and cattle-related violence, have significantly hindered development investments over the last decade. Livestock has been intrinsically linked to the conflicts, as a critical source of income, food and social capital for communities. Cattle are also used for dowry, compensation, and settlement of disputes and – in the absence of an established banking sector – serve as a reliable way to secure assets[5]. Over the last years, the nature and intensity of livestock-related conflicts have changed, with an increased use of arms, eroded traditional resolution mechanisms and weak rule of law institutions[6].
5. **Food insecurity:** South Sudan is facing the worst food insecurity crisis since its independence, with an estimated 7.74 million people (about 63% of the population) expected to experience severe acute food insecurity in 2022[7]. Despite its recognised potential to be Africa's breadbasket[8], the country is a net importer of food. For instance, the cereal deficit in 2021 was equivalent to 35 percent of the overall requirements for the year.
6. Food prices continue to be a major challenge. According to the WFP food prices database, a 10 kg bag of maize increased from USD 7 in 2016 to USD 21 in 2021 (see Figure 2). South Sudan is affected by wheat price increase as it relies on imports from neighbouring countries, of which 90 percent is from Russia and Ukraine. Potential consumption substitution of wheat products will lead to a price

increase of other cereals. Moreover, increased prices of fuel and fertilisers, which account for a large proportion of food prices (~30 percent) are also being pushed to the consumers. The Ukraine crisis has also placed significant pressure on humanitarian actors (such as WFP) who had to suspend food aid for 1.7 million beneficiaries, cut on rations and cancel school meal programmes in South Sudan due to the increased cost of their operations[9].

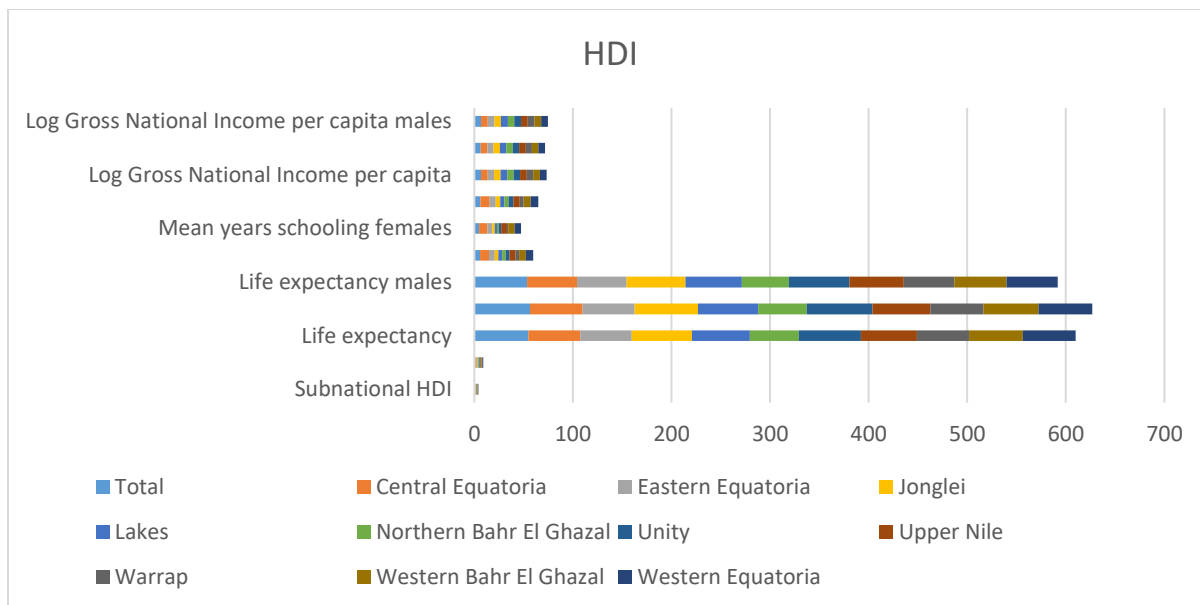
7. **Climate shocks:** South Sudan is the fifth most vulnerable country to the impact of climate change. Frequent flooding and drought coupled with conflict and environmental degradation have been adversely affecting agricultural productivity, water resource availability including quality, fish resource development leading to socio-economic instability.

Socio-economic situation and underlying causes

Poverty

Overall poverty situation

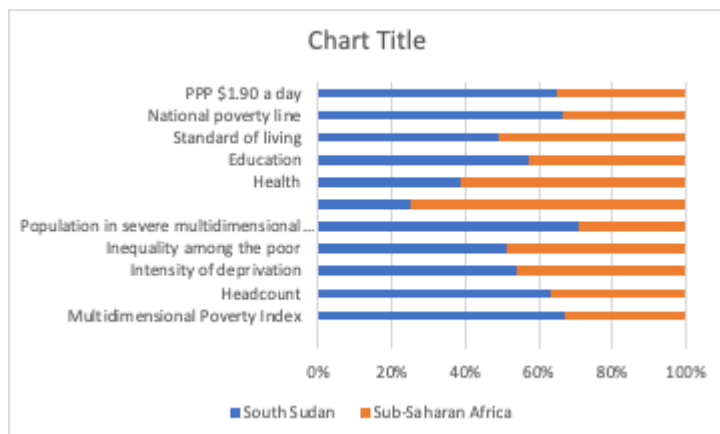
8. According to the most recent estimates, 82 percent of the population in South Sudan is poor[1] and 80 percent live in rural areas. 63 percent of households are female headed with an average size of 7.8 members with variations across the states. Unity, Jonglei, Lakes, Upper Nile and Northern Bahr el Ghazal have over 70 percent of households headed by females (FSNM). Rural populations mostly depend on smallholder farming, livestock keeping, fishing and forestry activities.
9. Approximately 73 percent[2] of South Sudanese adults are experiencing multidimensional poverty, which measures poverty incidence in education, consumption, access to public assets and possession of private assets. As shown in Table 2, Multidimensional Poverty Indices (MPI) in Jonglei, Eastern Equatoria and Northern Bar el Ghazal states are almost 30 per cent higher than the national average. Unstable macroeconomic settings are further affecting the overall poverty situation. Inflation has been very high since the start of the conflict in 2016. The inflation rate peaked to 380% in 2016 and was around 30% in 2020, having a significant effect on households' purchasing power. Poor households generally spend a higher proportion of their already meagre incomes on food especially on cereals and tubers.
10. The Covid-19 pandemic had a severe impact on the economy due to the sharp decline of international oil prices[3]. Moreover, Covid restrictions did reduce households' access to essential services such as health and education. They also limited producers' access to markets and disrupted agricultural value chains, affecting households' income and food security.



Source: Global Data Lab (2021). South Sudan, Subnational HDI. Accessed at : <https://globaldatalab.org/shdi/table/2021/shdi+sqdi+lifexp+lifexpf+lifexpm+msch+mschf+mschm+lgnic+lgnicf+lgnicm/SSD/>

11. The Multidimensional Poverty Index of Central Equatoria is 75.6 percent with a poverty intensity of 51.7 while that of Eastern Equatoria is 92.5 percent with a poverty intensity of 60.7. Jonglei on the other hand has an MPI of 98 with over 80 percent in severe poverty. It is among states with extremely high levels of population in severe poverty.

Table: Multidimensional Poverty Index



Source: <https://hdr.undp.org/content/2022-global-multidimensional-poverty-index-mpi#/indicies/MPI>

Gender

12. South Sudan has a Gender Inequality Index (GII) of 0.839 due to the strict gender norms and roles that prevail in the country, which undermine the promotion of equal rights and the ability of women to participate actively in development. Women account for over 60 percent of the population, as a direct result of over 39 years of conflict. The male literacy rate is 40 percent and females’ is 28 percent, resulting in 84 percent of women and girls over the age of 15 years to be illiterate[1]. Consequences are grave with women mainly operating in low-paying, low-skill elementary occupations (MGCSW p. 18).

13. Women account for 60 percent of the agricultural workforce, and head 60.3 percent of the households (MGCSW p. 61), yet battle with numerous challenges, including limited access and control over resources and assets. Even though the Land Act enshrines women's land rights, access to land is permitted only by their husbands and male family members. This limits women's participation in extensive agriculture and hinders their access to credit and loan funding. Only 4.7 percent of women have access to a bank account or financial institution. Self-employment opportunities are underpinned by manifold bottlenecks ranging from business registration, illiteracy, lack of skills and access to finance, which are all mutually intertwined and must be addressed collectively to enable realistic economic pathways for women.
14. Women have control over crops produced for household consumption, but not those produced for sale. Men hold ownership over large animals, which are inherited through male lineage, while women own small ruminants such as pigs, goats, poultry, chickens and ducks. Extension services are mainly targeted at men at 88.7 percent compared to women at 9.7 percent[2]. While national data is scarce, SSAPU's data on 80 cooperatives suggests that 52,27 percent are female members and 28.48 are female youth. Against the total number of female members, 16.22 % are engaged in cooperative boards. Notwithstanding the promising outlook, we need to take the data with caution and carefully assess women's membership participation and leadership opportunities as part of the group profiling.
15. Women experience time poverty, working extra hours in a day tending to multiple responsibilities such as domestic chores; caretaking for children, the elderly and the sick; and barely get enough time to take care of themselves or participate in community activities. On average, women and girls walk between three to six km in rural areas to reach the water points. This puts them at high risk of sexual harassment and violence[3].
16. Prevalence of Gender based violence (GBV), impedes women to gravitate out of the circle of violence[4]. Although the exact prevalence is unknown, close to 57 percent of women who experience sexual and GBV do not report it or share information with others. Sexual violence such as rape and abduction have been a weapon of war during conflicts. In the midst of the COVID-19 crisis, women and girls faced heightened risks of GBV with constraints in accessing services due to the pandemic's restrictions[5]. Access to health care services is limited with 57 percent of health facilities non-functional and in most conflict-affected areas. Limited access, knowledge and sexual reproductive health rights education have led to a very high rate of under 5 child mortality, with 1 in 10 children dying before their 5th birthday per thousand live births, the fourth highest in the world (MGCSW p. 24). The Government has made considerable efforts to address SGBV with the enactment of the National Gender Policy, the Standard Operating Procedures, the establishment of a non-stop Clinical Management Rape Centers, or the establishment of the GBV Sub cluster.
17. The transitional constitution aims to guarantee equality between the two sexes and promote women's participation in public life and their representation in the legislative and executive organs by at least 25 percent to redress imbalances created by history, customs, and traditions. However, women's voice and leadership in decision-making bodies is still limited. None of the political parties has fully met their obligations in terms of female nominees; only 31 percent of the newly appointed state level ministers are women, while there are no women governors. Female representation in the Executive and National Government is currently at 15.6 percent, far below the target (MGCSVW, p. 22). It is fundamental to build on the success of women's participation in the peace negotiation that led to the signing of the Revitalized Peace Agreement on the Resolution of the conflict in the Republic of South Sudan (R-ARCSS)[6].

Youth

18. In South Sudan, youth are between 18-35 years and constitute of 70 percent of the population (72 percent under the age of 30 years, and 51 % under the age of 18 years). In 2018, the literacy rate among adolescents and youth aged 15 to 24 years was 47.9 percent (48.43 for male and 47.37 percent for females) (South Sudan State of Adolescents and youth p.8). While the number of girls enrolled in schools has increased over the last few years, enrolment and completion rates remain low compared to boys. This number severely declines for education past primary school level. The net enrolment rate in primary education was 39.9 percent for males and 30.4 percent for females[1]..
19. Access to education is a challenge for both genders, but girls are at higher risk to drop out due to prevailing customary norms and traditions that force them into early and forced marriage and pregnancies. According to the MGCSW, more than half (52 percent) of South Sudanese girls are married before the age of 18 (p.23), with 9 percent married before the age of 15 (MGCSW p. 25). 300 out of 1000 girls aged 15 to 19 years old battle with teenage pregnancy. Cattle raids and subsequent abductions of young women further endanger their safety and ability to access education and employment opportunities and discrimination. The male youth on the other hand are responsible to look after livestock, which exposes them to insecurity such as cattle raids and abductions[2]. Conflicts propagated by youth are due to lack of employment opportunities and the need to gain resources such as cattle for dowry payment.
20. An exceptionally large share of the youth population is in non-wage, low-productivity employment concentrated in the agriculture sector. Skill-building programs are limited with 25 TVET centers available in 2015 (state of youth p. 8). The youth unemployment rate among youth aged between 15 to 24 years is estimated at 17.6 percent. The youth lack training and education opportunities, marketable skills, and are vulnerable to recruitment by armed militias, further exposing households to violence, displacement, and limited productive labour[3]. Many youth structures and organisations, are politicised or organized along ethnic lines, limiting their potential to help build peace and youth empowerment initiatives. South Sudan laws do not specify youth representation in programmes/activities. Hence, they are always under-represented and their needs ignored, in decisions taking.

Indigenous peoples

21. South Sudan is socially diverse and comprises more than 70 different language groups dominated by Juba Arabic, Nilotic, Nilo-Hamitic and Sudanic languages such as Dinka, Azande, Nuer and Shiluk[1]. However, there is no official demographic data in South Sudan since the 2008 census was rejected and a post-independence census has not yet been undertaken[2].
22. Western Nilotes, including Dinka and Nuer (with their associated subgroup Atuot) are the largest groups in the country. They traditionally live in the North and East areas of South Sudan[3]. Dinka are a Nilotic people and seasonal migrating agro pastoralists. Nuer are divided into several independent groups organised in clans, lineages, and age groups. For both Dinka and Nuer, cattle are essential to social structures, and can be a source of conflict when herds are competing over limited grazing resources during transhumance. Some Western Nilotes peoples are settled crop farmers such as Shiluk and Anuak. Other groups live in the Southern parts of the country, such as the Azande, Bari, Latuka, Madi, Moru, Taposa and Turkana, who are a mixture of Sudanic and Eastern Nilotes peoples.
23. The civil war which erupted in 2013 was mostly driven by ethnic dissents. Fights between Dinka and Nuer militias, among others, have led to widespread human right violations, large population displacements of indigenous peoples and

increased tensions on land rights. Additionally, traditional rule of law and resolutions mechanisms that are deeply anchored into the tribe institutions and the areas in which the peoples have long resided, are being disrupted by the recurring displacements, the non-planned livestock migrations and the introduction of weapons.

24. The concept of “Indigenous peoples” and its interpretation in the context of South Sudan are extremely sensitive. Identifying some groups as “indigenous” would imply that other groups don’t belong to the social and cultural identity of the country and would therefore drive unjustified inequalities and potential injustice. In a country which is 11 years old and still trying to forge a common framework for a unified people, identifying and targeting indigenous peoples is a major challenge.

Marginalized groups

25. **Returnees** - They include women and men who decided voluntarily to return to their community from outside the country. The Peace Agreement has encouraged the return of the displaced population, especially from abroad. From November 2017 to May 2020, UNHCR estimates that some 289,560 South Sudanese refugees have returned to South Sudan, 168,964 since October 2018 after signing of revitalised peace agreement. Additionally, returnees who have been living in refugee camps for a decade or more have had access to essential services such as food assistance, education, water, or sanitation that they might not find when returning to their community. The lack of livelihood opportunities is also a driver of frustration for the returnees who have developed some knowledge and skills with the support of development partners.
26. **Internally Displaced Persons** – In the context of recurring ethnic conflicts and consequences of climate change, many South Sudanese are pushed to move in order to seek better opportunities. In November 2021, there were around 1.6 million[1] IDPs in the country, 55 percent of whom were women and girls. 30 percent of Households self-identify as IDPs, IDP Returnees or Refugee returnee (FSNM).
27. A quarter of IDPs reside in displacement sites while others stay in informal settlements in host communities. IDPs have less access to essential services (because of distance[2] or because services are sometimes taxed by host communities such as WASH facilities[3]), housing and limited food stocks. Limited access to education, job opportunities and constant insecurity push displaced adolescent girls at the most marginalized end, exposed to sexual exploitation and abuse and forced into early marriage by families as a coping mechanism (south sudan state of adolescent and youth p. 8, and MSGCW strategy) The presence of IDPs in host communities and the additional pressure on resources often leads to tensions. IDPs are exposed to protection risks (the UN Special Rapporteur on the Human Rights reported the attacks IDPs are victims of[4]) and struggle to access livelihood opportunities.
28. **Persons with disabilities (PWDs)** - The South Sudan Disability and Inclusion Policy commits to promote and protect the rights and dignity of PWDs, although limited capacity and resources hamper its implementation. They face significant social and political exclusion and are among the most marginalised in society. They tend to be more illiterate, unemployed, and less productive than their peers without disabilities. According to the South Sudan Annual School Census (ASC) in 2012, 1.37 % of all school enrolled pupils are children with disabilities[5]. Households headed by an individual with disability are 38 percent more likely to live in poverty than households headed by an individual without disability. The National Disability Assessment indicated that 89.3 percent of respondents with disabilities were unemployed, 4.5 percent had been employed and 6.2 percent were engaged in business[6]. Persons with disabilities are confronted with poor

infrastructure and stigma and prejudice, hindering their ability to fully contribute to the country’s economic growth.

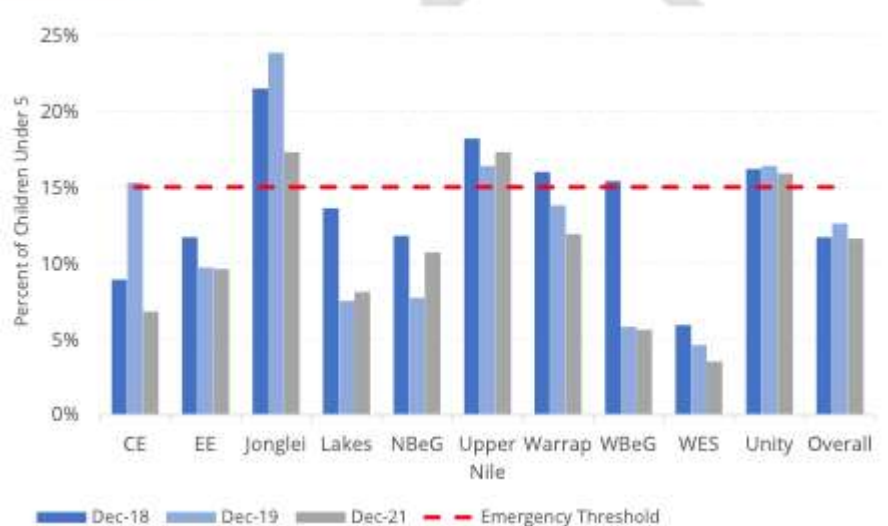
- 29. Limited capacity within the government structures to respond to medical, educational and mobility needs of PWDs and very few social safety net programs aggravate existing insecurities and vulnerabilities. According to the South Sudan Union for Persons with Disabilities, girls and women with disabilities are particularly at risk as they face challenges in accessing basic needs, including personal hygiene kits, and are more likely exposed to GBV.
- 30. **People living with HIV** – Over 200,000 people are estimated to be living with HIV. Women are disproportionately more affected. According to the new rates affection, adolescents are primarily at risk with 18,000 new infections contracted by adolescents under 14 years old. The adult (15-49 years) prevalence rate is at 2.4 percent with concentration in some key population, such as female sex workers (37 percent), people in polygamous relationships (27 percent). Because of civil war and on-going communal conflict, mental health has been reported to be on the increase. Specifically, there is widespread post-traumatic stress disorder (PTSD), physical bodily trauma, forced and unwanted pregnancies, stigma and ostracization owing to negative societal perceptions of being a “rape survivors” and suspicion of being infected with HIV. (MGCSW p. 25).

Nutrition

- 31. The prevalence of global acute malnutrition (GAM) among children increased from 13 per cent in 2018 to 16 per cent in 2019, exceeding the global emergency threshold of 15 per cent. The under-5 mortality rate is 106 per 1,000 births and maternal mortality rate sits at about 789 deaths per 100,000 live births, noting regional variations of 523-1,150. In 2022, 2 million people, including 1.4 million children under five years old and 676,000 pregnant and lactating women (PLW) are expected to be acutely malnourished[2]. According to the latest Food Security and Nutrition Monitoring System report from 2022, 13.5 percent of children under age five were stunted. Only 8.3 percent of children can attain the Minimum Acceptable Diet required for growth and development (FSNMS). Only 68 per cent of infants less than 6 months old are exclusively breastfed and 4 percent of children 6-23 months old receive a minimum acceptable diets[3].

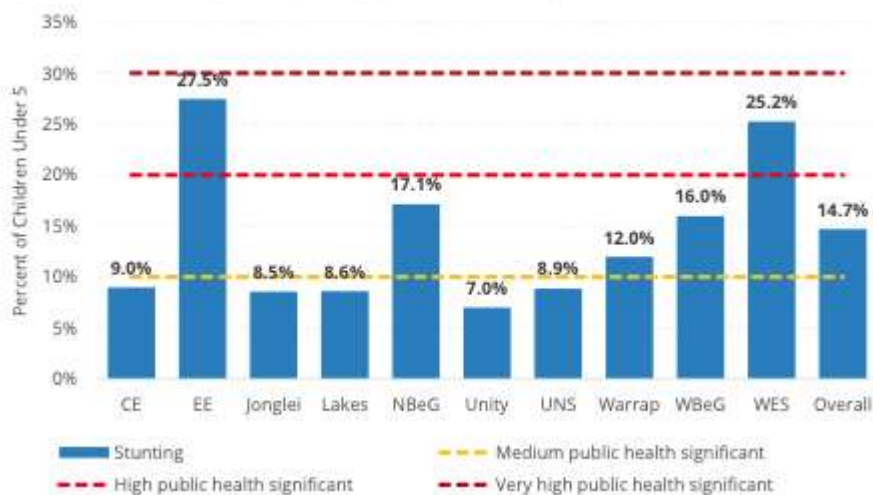
Table: Prevalence of Malnutrition

Figure 26. Prevalence of General Acute Malnutrition (Post-Harvest) Among Children Under 5 by State and Time



Source: FSNMS+ Round 27 Report, 2022

Figure 27. Prevalence of Stunting Among Children Under 5 by State



Source: FSNM+ Round 27 Report, 2022

32. Nationally, 37 percent of households had low dietary diversity and consumed 0 to 2 groups with particularly poor dietary diversity found in Jongly (49 percent), Unity (49 percent) and Upper Nile (47 percent), meaning an insufficient intake of nutrients for growth and development. Intake of the recommended food groups by children (Minimum Dietary Diversity – MDD) is very low in all states at 14 percent. Overall, dietary diversity among women of childbearing age is at 30 percent (37, 31, 22 and 16 percent in Central, Eastern Equatoria, Jonglei and Northern Bar el Ghazar respectively). 89 percent of Households adopted some form of consumption-based coping strategy to meet food needs, including less expensive food, reduced portion size of meals or reduced number of meals eaten per day. This is as result of poor access to food and the intra-household dynamics that mean women are the last to eat in times of food stress. Heavy women’s workload and poor childcare practices are factors compounding child malnutrition. Additionally, early age at marriage and age at first birth is significant and contributes to foetal growth restriction, which increases the risk of neonatal death and for survivors, of stunting by 2 years of age.
33. Access to health services is poor and leads to high incidences of diseases. The country’s health system and infrastructure are among the poorest in the world. About 1,300 out of 2,300 health facilities are non-functional due to conflict[4]. Additionally, health facilities are poorly equipped and staffed. Consequently, around 75 per cent of all child deaths are due to preventable diseases, such as diarrhoea, malaria, and pneumonia. This is further compounded by the chronic nature of waterborne diseases, low use of latrines, poor personal hygiene and living environments, and limited access to hygienic products. An estimated 60 per cent of the total population either rely on unimproved or surface water sources.

Environment and climate context, trends and implications

Environment

34. South Sudan’s landscape includes extensive grassland, swamps and tropical rainforest, which stretches along both banks of the Nile River. The Nile River system is the dominating physical feature of the country. It runs from south to north through the country joined by its major tributaries, the Bahr el Ghazal, the Bahr al-Arab and the Sobat. The centre of the country is dominated by the Sudd wetland, a large swampy area occupying the heart of South Sudan. It is one of the largest freshwater ecosystems (wetland) in the world, incorporating an area of

approximately 57,000 square kilometres. The wetland is rich in biodiversity and around one million agro-pastoralists inhabit the area[1].

35. The country's natural assets include significant agricultural, mineral, timber and energy resources. The climate is mostly hot and dry, with seasonal rains that allow for two or three harvests a year in the country's green belt. Apart from oil, however, its natural resources are largely unexploited and only 4.5 per cent of its potential arable land is cultivated[2].
36. The protected areas of South Sudan include wildlife, forests and Ramsar sites[3]. In total, South Sudan's protected area occupies approximately 87,030 square kilometres, which is about 13 percent of the country's surface. It is estimated that national parks cover an area of 51,760 square kilometres, game reserves cover 34,110 square kilometres, and forest reserves cover 1,160 square kilometres[4].
37. South Sudan's major landcover characterization include (I) tree cover broadleaved deciduous open dominated in the Southernmost and southwestern part of the country, (ii) shrub land, shrub land ever green and shrub land deciduous dominated in the central, eastern as well as northeast most part, and (iii) wetlands in central part of the country, figure22.

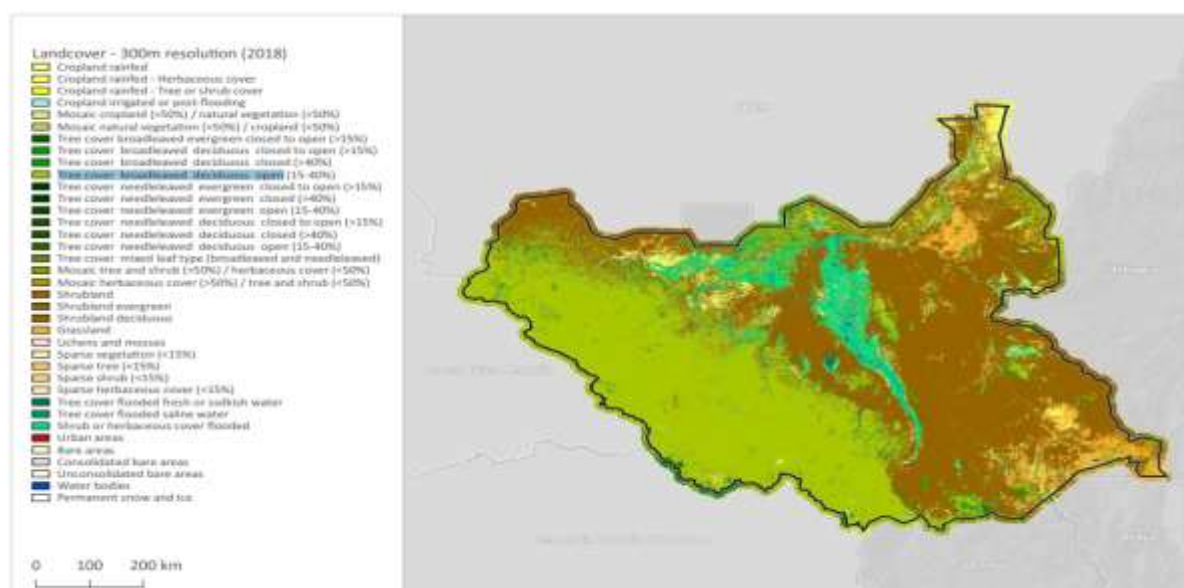


Figure: Land Cover map- 300 m resolution, 2018

38. **Agriculture:** The country lies entirely within the Nile River basin, which makes its land suitable for agriculture. Around 75 per cent of the country's land area is suitable for agriculture, where an area of approximately 330,000 square kilometres is estimated to be fit for cultivation, but only about four percent is currently cultivated. Despite more than 50 percent of its land mass being prime agricultural land, only 5 percent of this land is currently cultivated continually or periodically. Thirty-four percent of the national cropland is in the western flood plains. The greenbelt and eastern flood plains are the other two important crop production regions, accounting for 18 percent and 26 percent of national cropland, respectively[5].
39. In South Sudan about 80 percent of the population lives in rural areas where subsistence agriculture is the mainstay of people's livelihoods. The agriculture sector is characterised by small, hand-cultivating household units belonging to larger family aggregations practising different combinations of rain-fed agriculture, livestock grazing and pastoralism, wild food harvesting and fishing[6][7]. About 81

- per cent of households cultivate land, 74 per cent own livestock and 22 per cent engage in fishing[8].
40. The livestock sector is not commercialised and suffers from high incidence of disease, rustling, and resource-based conflict. This has impacted negatively on nutritional status of households particularly children under 5. Limited use of productivity-enhancing technologies, capacity constraints, high labour costs, and poor infrastructure hinder progress and constrains production, productivity and the competitiveness of South Sudan's agriculture relative to its neighbours. Sorghum is the main cereal crop (70% of the cereal-area) followed by Maize (27%)[9].
 41. Individual households cultivate an average of between 0.84 and 2.4 hectares of cereals and other crops[10]. Crops are usually grown in mixed and/or sequential plantings (mixed cropping and interplanting). Sorghum and millet, the main cereal crops, are usually grown with sesame, while root crops such as cassava are often inter-planted with groundnuts, maize, pumpkins or other vegetables. This practice conserves biodiversity; mitigates weather, pest and disease risks; provides optimal ground cover and prevents soil erosion; conserves soil nutrients; and saves on labour[11].
 42. Fishing in South Sudan is generally a subsistence or artisanal activity; the commercial fishery industry remains relatively small. Artisanal fishers use simple fish harvesting techniques such as gillnets, throw nets and hooks. About 17.3 per cent of the population directly depends on the capture fishery. Although there is no reliable data, it is estimated that there are some 208,000 subsistence fishers and about 12,000 commercial fishers in South Sudan. Fishing takes place in the Sudd wetlands, the River Nile, other rivers, tributaries and floodplains[12].
 43. The practice of irrigated agriculture is insignificant in South Sudan. Individual farmers use simple Water-lifting techniques like hand pumps and other low technology methods such as storage ponds and drains in flood plains to irrigate small plots of crops and vegetable gardens[13]. Given the many permanent, large and small rivers, seasonal watercourses, groundwater reservoirs and vast areas of wetlands, there is a huge potential for expanding irrigation and introducing medium and large-scale irrigation projects to boost agricultural products.
 44. **Forests:** Forests and woodlands of various types cover a large proportion of South Sudan's vast territory (RSS, 2015). Its natural forests have high levels of biodiversity and wildlife habitat and generate important ecosystem goods and services. These include provisioning of goods (shelter, timber, fuel, food, medicines etc.) and services, carbon sequestration, hydrological cycling, soil stabilisation and cultural services. More than 90 per cent of the country's population directly depends on forests for fuelwood and charcoal production, timber for construction, and non-timber forest products for food and nutrition security; however, this resource is fast disappearing with an annual deforestation rate estimated at between 1.5 and 2 per cent[14].
 45. The continuous use of wood as fuel for cooking and the seasonal burning of forests by pastoralists to regenerate pastures for their herds has degraded or deforested parts of the country's natural forest areas and woodlands. Other pressures are the conversion of forests and woodlands[15]. Fuelwood and charcoal make up approximately 80 percent of the country's energy supply due to the lack of alternative sources of energy, such as electricity, wind and solar power, and gas. Charcoal is the main fuel used in urban centres and its use in brick making is growing[16].
 46. **Biodiversity:** South Sudan is endowed with a natural environment rich in biological resources. These include a large variety of ecosystems, a vast array of globally important species of flora and fauna and an unknown load of genetic diversity. It is home to the Sudd swamp, one of the world's largest tropical

wetlands, and to one of the greatest circular migrations of wildlife on the planet. Sudd swamp has been declared a wetland of international importance under the Ramsar Convention on Wetlands. Most of the population live close to the natural environment, directly depending upon forests and woodlands for fuel and food products, local soils in which to grow their crops, pastures for their livestock and nearby water sources for household needs. These ecosystem goods and services constitute the foundation of South Sudan's socioeconomic development[17]. South Sudan has 14 national parks or protected areas and is home to the world's second largest animal migration after the great Serengeti-Masai Mara wildebeest migration; this epic migration of antelopes offers tremendous opportunity for the development of ecotourism. The country harbours an immense diversity of wildlife species, many of which face threats from human activities, including wildlife poaching and trafficking; deforestation; settlements, cropland and livestock expansion; road construction; mining and oil development; and climate change impacts.

47. **Water resources:** South Sudan's major water resources derive from two main hydrological basins: the Nile Basin and the Rift Valley Basin, figure below[18]. South Sudan's water resources are unevenly distributed both spatially across the country, and temporally, since water quantities vary substantially between years depending on periodic major flood and drought events. The Nile River hydrological basin covers most of the country. Water is held in perennial rivers, lakes, and wetland areas, in seasonal pools, ponds, rivers, streams and extensive floodplains. Water demand is still low given the country's relatively small population, density, and the lack of industrial development, but it is expected to increase rapidly in the future with projected population growth and economic development. In 2007, the Ministry of Water Resources and Irrigation reported that the impact of human activities on the availability and quality of water resources was already evident and a growing concern. There is increased pollution, reduced river flows, declining water tables in urban areas and both surface and ground waters are becoming contaminated[19].



Source: (Bastiaanssen, et al., 2014)

FIGURE 1: Location of sub-basins of the Nile river system (within South Sudan) delineated by the Nile basin initiative

48. **Wetlands:** About seven per cent of South Sudan is covered by vast expanses of tropical freshwater wetlands that occur at the confluence of the White Nile's main tributaries. They have a significant influence on the Nile's hydrologic regime, storing and releasing water, retaining suspended solids, decreasing dissolved oxygen concentrations, increasing acidity and dissolved carbon dioxide concentrations, reducing sulphate concentrations, increasing total dissolved solids concentrations and losing water to evapotranspiration[20].
49. **Soils:** There are 34 soil types in South Sudan. Vertisols are a type of clay known as "black cotton soils" that are potentially highly productive but are prone to erosion; they are mostly found in the eastern part of the country[21]. Fluvisols, a lowland soil in semi-arid zones that is moderately-to-highly fertile, is found along rivers, lakes and alluvial plains[22]. Leptosols, characteristic of the southwest, are very shallow soils on top of hard rock or highly calcareous materials; they are subject to drought, runoff and desertification. Lixisols have an unstable soil structure underlain by clay washed down from the surface. They are found in the western part of the country. Regosols have no significant profile development; they are distributed from the north-west toward the centre. Cambisols are composed of medium- and fine- textured materials derived from a wide range of rocks and are found in hilly parts of the southern and central areas. The Iron- stone Plateau is named for the hard, red lateritic soil called iron- stone that covers almost the whole region. Lateritic soils are often thin and unsuitable for agriculture[23].

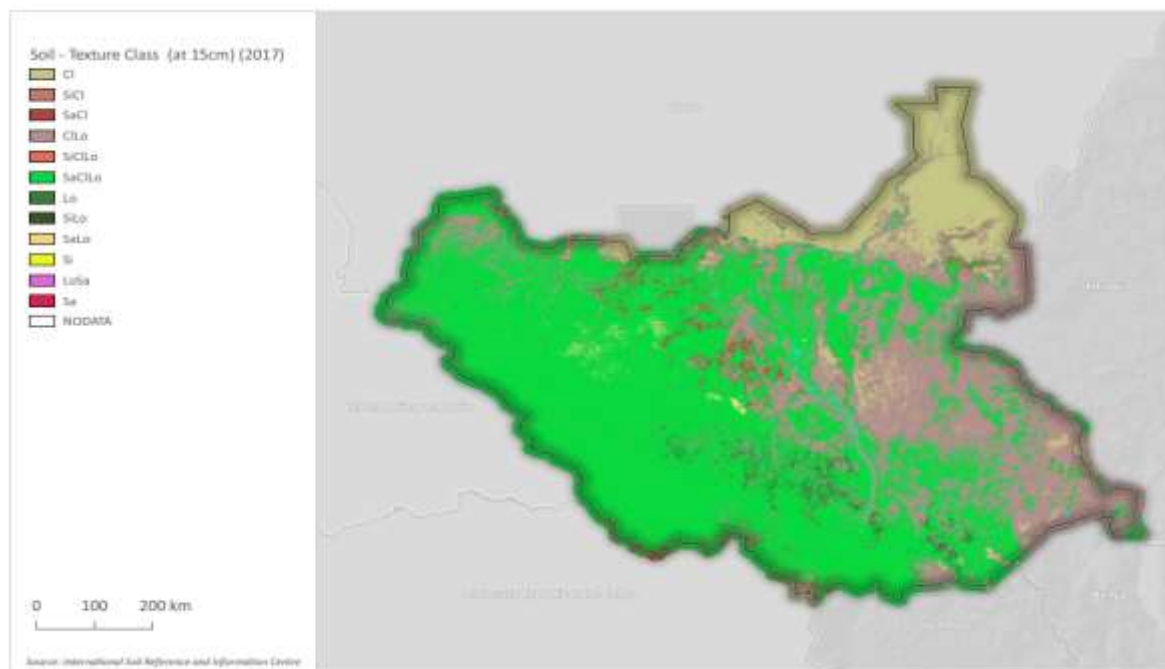


Figure: South Sudan- Soil Texture Class- IFAD GeoScan

Agro-ecological zonation

50. South Sudan is classified into seven agro-ecological zones (NAPA, 2016), which have been determined considering the following considerations: livelihood patterns (crop production, livestock rearing, off-farm income generation), physical geography, agro-ecology and market access. These are:
- i. **Greenbelt (Western Bahr el Ghazal; Western, Central and Eastern Equatoria):** Rely almost exclusively on agriculture. Smallholder rural and urban/peri-urban livestock keeping is focused on poultry and goats – few cattle. Traditional and modern beekeeping and wild gathering of honey are additional sources of income.
 - ii. **Ironstone Plateau (Northern and Western Bahr el Ghazal; Warrap; Lakes; Western, Central and Eastern Equatoria):** Heavily dependent on crop production. Parts are largely agro pastoral with livestock production the predominant source of income. During periods of distress, the sale of livestock is a source of income.
 - iii. **Hills and Mountains (Central and Eastern Equatoria; Jonglei):** Both agriculture and pastoralism are practiced. Reliance on cattle increases during difficult years.
 - iv. **Arid/Pastoral (Jonglei; Eastern Equatoria):** Driest zone, with one cropping season. Swamps are used for grazing during the dry season. Characterised by nomadic pastoralism with a strong reliance on livestock. Small-scale crop production supplements livestock production.
 - v. **Nile and Sobat Rivers (Jonglei; Unity; Upper Nile):** Abundance of water resources and good vegetation for grazing but flooding hampers access. An important dry season grazing area. Crops are also grown.

- vi. **Western Flood Plains (Northern Bahr el Ghazal; Lakes; Warrap):** Main source of income is agro pastoralism, which is supplemented by fish and wild foods. Livestock are important for both food and income.
- vii. **Eastern Flood Plains (Jonglei; Upper Nile):** Inhabited by both pastoralists and agro pastoralists. Low-lying terrain and black cotton soils pre-dispose the area to flooding.

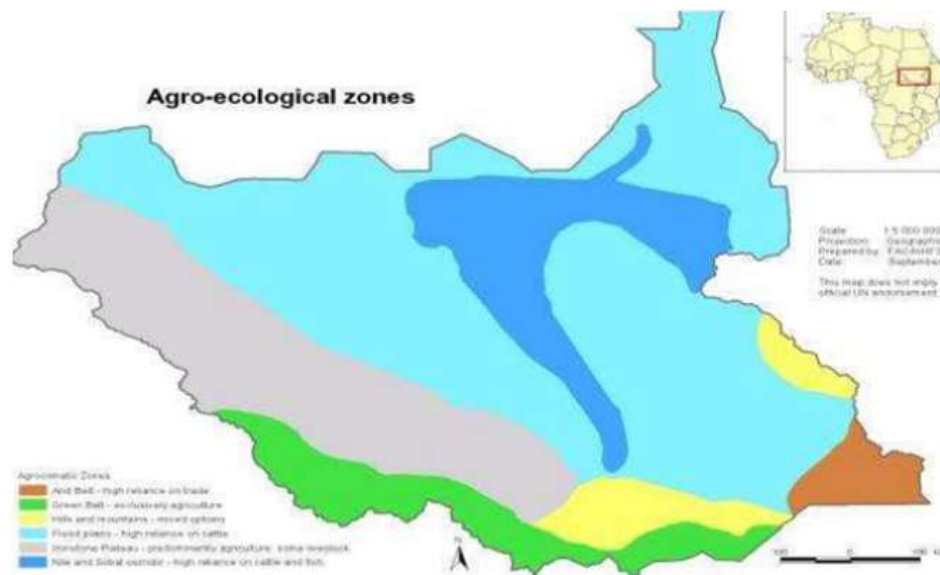


Figure 2: Agro-ecological zones in South Sudan.

- 51. The most important Environmental challenges are high rate of deforestation leading to land degradation and eventually soil erosion and loss that result in poor agricultural (crop and livestock) productivity. Water shortage has also been the main challenge mainly in the northern and northwest part of the country.

Climate

- 52. South Sudan experiences a tropical climate. Temperature averages are normally above 25°C, with highs exceeding 35°C, particularly during the dry season (January to April). Juba, the capital city, has an average annual high temperature of 34.5°C and an average annual low of 21.6°C. The rainy season differs by location, but it generally occurs between April and November. The lowland areas of Eastern Equatoria, Jonglei, the Upper Nile and Bahr el Ghazal receive annual rainfall between 700 and 1,300 mm. The south-eastern tip of Eastern Equatoria receives about 200 mm. The heaviest rainfall occurs in the southern upland areas and lessens towards the north. Western Equatoria and highland parts of Eastern Equatoria receive between 1,200 and 2,200 mm of rainfall annually[24].
Temperature: Mean annual temperature has increased by 1.3°C per century for the period 1951-2000.
- 53. **Precipitation:** Mean annual precipitation has decreased by 41 mm per month per century for the period 1951-2000.

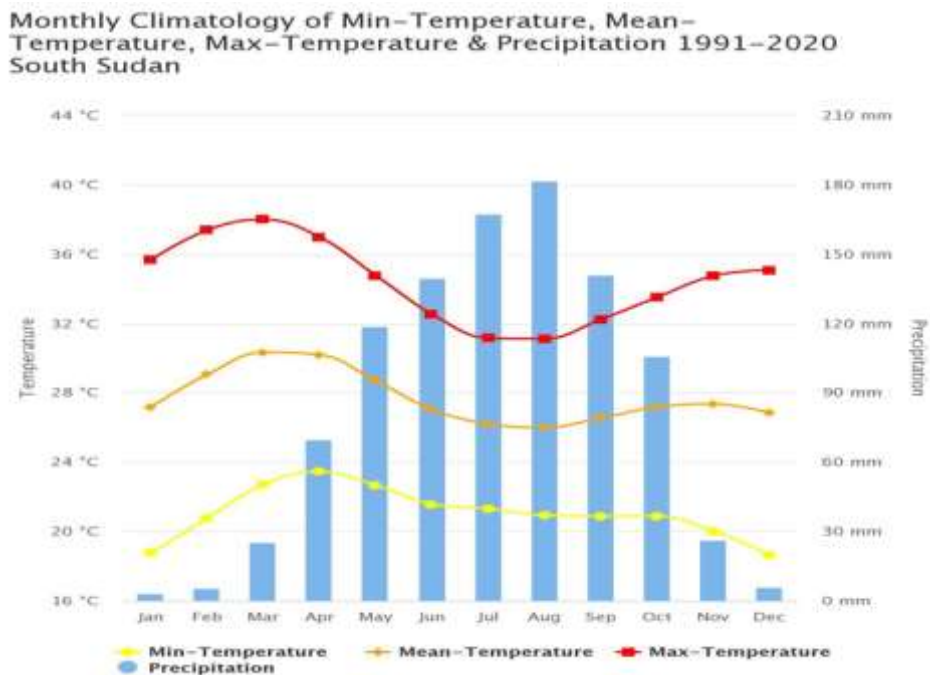


Figure. Climate Change Knowledge Portal of the World Bank

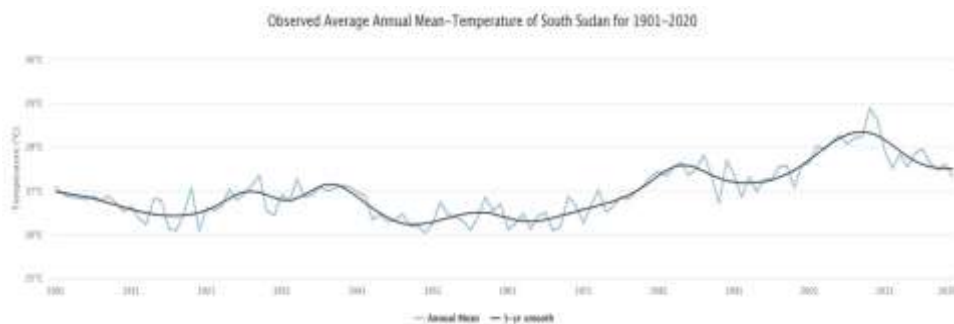


Figure. Climate Change Knowledge Portal of the World Bank

54. Climate change has long been affecting the agriculture and water sector in South Sudan. Most of the people, being dependent on rainwater, the delayed onset of the rainy season and prolonged dry spell changes the seasonal calendar of the country, which in turn affects the production system. In 2017, the Verisk Maplecroft Climate Change Vulnerability Index (CCVI) (2017) included South Sudan independently in the assessment and ranked it 5th out of 191 countries with regard to climate change vulnerability. According to the Notre Dame Global Adaptation (ND-Gain) Index, Sudan (including South Sudan) was ranked 176th out of 181 countries, inferring it to be extremely vulnerable and the 14th least ready country to combat climate change effects[24].

Part 2 - Institutions and legal framework

Institutions

Environment and Climate Change

55. The Ministry of Environment and Forestry (MoEF) and Ministry of Agriculture and Food Security (MAFS) are the two most important government organisations responsible to undertake environment and climate change related tasks.
56. **The Ministry of Environment and Forestry:** Tasked with developing policy and regulatory frameworks on environment and forestry. The Directorate of Climate Change and Meteorology in the Ministry develops and implements programmes to address climate change issues and coordinates the implementation of South Sudan's obligations under the UNFCCC and the Convention on Biodiversity (CBD). Besides, the Ministry is responsible for SECAP related activities such as categorization of projects, review of ESIA/ESMP as well as compliance monitoring. MoEF does not have equivalent structures at state and county level. At states, the department of environment is embedded within the MAFS and an environmentalist and/or NRM expert is available at the county level and is accountable to the county governor. The other challenge is that the communication, in terms of reporting, supervision etc, between the MoEF and the states and counties are not as such strong. The MoEF at all levels, is responsible for the Environmental Impact Assessment related tasks. The tasks of the national, state and county are detailed in the section on national environment policy below.
57. **The Ministry of Agriculture and Food Security** is mandated to develop and implement policies, objectives, and strategies for South Sudan's agricultural sector to improve food security and contribute to economic growth and environmental sustainability, and to facilitate and encourage the equitable and sustainable development of improved livelihoods. It exercises its role through the Directorate of Research and Training and the Directorate of Agriculture and Extension services.
58. At head quarter level, the MAFS has a single Project Management Unit (PMU) who is responsible to oversee implementation of eight projects and programmes financed by the African Development Bank (AfDB), the World Bank and IFAD. Given nature and geographic coverage of these projects, the single PMU is unable to look after all projects. The IFAD's portfolio in South Sudan has been growing from time to time through the additional and co- financings from the GAFSP 6 and 7, the Kingdom of Netherlands (KoN), the climate finances and hence IFAD specific PMU is required to ensure project implementation are in line with the financiers condition and are also environmentally friendly. It is also important to establish PMUs at States and Counties level.
59. The MAFS has equivalent structures at the states and counties and have a formal vertical reporting and capacity development communications.

Social Inclusion and Nutrition

60. Nutrition: Governance mechanism for Food Systems, Food Security and Nutrition should rely on existing structures and mechanism, such as the Republic of South Sudan Food Security Council (RSSFSC) the Comprehensive Africa Agriculture Development Programme (CAADP) process and the Scaling Up Nutrition (SUN) platform. Further, a Parliamentary Caucus on Food Security and Nutrition has been recently formed to advocate and increase knowledge of the right to food and food security and nutrition in South Sudan to decision-makers, such as Members of Parliament and other arms of the Government. Close alignment to amplify messages and boost impact will be envisioned under the COSOP.
61. Gender and social inclusion (PWDs): Ministry of Gender, Child, and Social Welfare. The Ministry exist at national and state levels and is mandated to promote gender equality and women's empowerment, social justice, and safeguard the rights and welfare o women, children, persons with disabilities and vulnerable groups. Thereby, overseeing the formulation and implementation of gender responsive policies and legislation for promotion of gender equality, women's empowerment, child protection and social protection. Notwithstanding the grand tasks, the Ministry

is severely underfunded. In the FY 2020/21, only 0.32 % of budget was allocated to the MGCSW. Further, limited coordination between national and state level ministries of Gender, Child and Social Welfare, lack of gender disaggregated data on socio-economic productivity, along with inadequate infrastructure and budget to secure permanent staffing continue to restrain the functioning of the Ministry.

62. Youth: Ministry of Culture, Youth and Sports, The Youth Strategy outlines a very elaborate structure with the engagement of different key stakeholders, such as the National Youth Advisory Council, the State National Youth Council Committee, the County Youth Forums, at national and state level. However, budget is scarce and is being mobilized to operationalize the strategy.

Policy and regulatory frameworks

63. **Overall** - National Development Strategy (2018 NDS), aims to consolidate peace and stabilise the economy, with a framework for implementing the Vision 2040, focusing on Justice, Liberty, and Prosperity. The NDS is articulated around six interconnected priorities: (i) Creation of enabling conditions and facilitate the return of displaced citizens; (ii) Developing and enforcing the rule of law; (iii) Ensuring secure access to adequate and nutritious food; (iv) Silencing the guns; (v) Restoring and expanding the provision of basic social services.
64. **Nutrition** - Food and Nutrition security is a key development theme of the Comprehensive Agriculture Master Plan (CAMP) 2015-2040 of MAFS. Moreover, South Sudan has been a member of the Scale-Up Nutrition (SUN) movement since 2016, although the SUN networks are still at an early development stage. The Government is in the process of developing a National Nutrition Policy, which requires a costed strategy and action plan. The Food Security cluster of South Sudan is very active, providing a platform for humanitarian, peace and development actors to share experiences and lead shared initiatives like the Integrated Phase Classification (IPC).
65. **Gender** - The Ministry of Gender, Social Welfare and Religious Affairs, aims to promote gender equality and women's empowerment. To that end, efforts were made to develop gender sensitive policies and strategies, and to set up institutional mechanisms for adequate gender mainstreaming. A comprehensive draft of a National Gender Policy (2013) provides an overall context for mainstreaming gender in all national development processes and a framework to address existing inequalities and remedy historical imbalances. Further, the Government developed the Standard Operation Procedures for Gender Based Violence, National Action Plan on United Nations Security Council Resolution (UNSCR) 1325 on Women, Peace and Security. In the agricultural sector, the Comprehensive Agriculture Master Plan (CAMP) is a gender sensitive policy that recognises the importance and provides ways of mainstreaming gender in agriculture. In view of the heightened risks of SGBV faced by girls and young women, the Government has developed numerous policies and standards, including South Sudan NAP for Ending Early Marriages (2017-2023); Standard Operating Procedures for GBV Prevention and Response (2017); and set up GBV coordination mechanism, an Information Management System on GBV and established a Special Protection Unit in Police Stations in each state. However, in practice, many gender-oriented policies in South Sudan are yet to be implemented or are still in draft form. Gender Focal Points or departments created by the Ministry of Gender, Child, and Social Welfare in various government institutions are inadequately funded and ill equipped (Edward, 2014). Institutional and organizational weakness of the governance institutions continue to be a challenge (GenderIndex.org South Sudan 2019).
66. **Youth** - Approved and adopted in July 2020, the South Sudan Youth Development Policy of the Ministry of Culture, Youth and Sports intends to empower youth to influence democracy and peacebuilding in the country, their participation in community and civic affairs and inclusion in the peaceful and productive nation-

building and development agenda. A Youth Strategy and Operational Plan presents an ambitious vision that is underpinned by nine pillars, including Peace and Security, Human rights, Globalization, Political, Health, Education, Economic, Social and Climate Change. While resources are scarce, the strategy is proposing the establishment of a National Youth Service Program and the Youth Enterprise Fund. The South Sudan Youth Forum (SSYF) is the platform of the national youth councils and non-governmental youth organisations in South Sudan. It strives for youth rights in national institutions. The Forum works in the fields of youth policy and youth work development. The Youth Strategy outlines a very elaborate structure with the engagement of different key stakeholders, such as the National Youth Advisory Council, the State National Youth Council Committee, the County Youth Forums, etc.[1]

67. **Marginalised groups:** The National Social Protection Policy Framework of the Ministry of Gender, Child, and Social Welfare (MGCSW) aims to address multiple vulnerabilities and secure livelihoods as well as access to social services for the most vulnerable. South Sudan has signed the Convention on the Rights of Persons with Disabilities (CRPD), which sets a clear sign of commitment to promote human rights for persons with disabilities and to eliminate forms of discrimination. The South Sudan Disability and Inclusion Policy serves as the national legal framework and lays out its commitment to address and respond to the vulnerabilities faced by persons with disabilities, and to promote and protect their rights and dignity. Further, the Ministry of Education, Sciences and Technology in partnership with Light for the World, are in the process of developing a policy on inclusive education, which shall facilitate access to education for persons with disabilities. These are vital steps to ensure persons with disabilities are well integrated in the society and will pave the way for enhanced participation in social, economic and political decision-making processes.
68. **Environment, Climate and Agriculture:** South Sudan has the following policies and legal frameworks on Agriculture, Climate and Environment:
69. **The National Environment Policy, 2015-2025:** The goal of the National Environmental Management and Sustainable Development Policy is to ensure the protection, conservation and sustainable use of the natural resources of South Sudan without compromising the tenets of inter: generational equity. The following are the strategic objectives of the Policy: (i) to develop laws, regulations and guidelines to ensure sustainable, (ii) to build the human and institutional capacities of the national Ministry, state institutions, the local government, (iii) to integrate environmental considerations into the development policies, plans, and programmes, (iv) to prevent environmental pollution and degradation and develop effective strategies for waste Management, (v) to adapt to and mitigate negative effects of climate change impacts. The National Environment Policy has identified the role and responsibilities of the national, state and country level structures.
- (a) **National Ministry of Environment:** The role of the National Ministry will be to: develop policies, laws, regulations; design national environmental programmes; set national environmental standards, including the standards for the conduct of environmental impact assessments, and ensure these standards are adhered to nationwide; manage the National Environment Protection Fund and mobilize additional funds; advise and support the ten states and local governments to fulfil their responsibilities for environment protection; monitor the state of environment; render the annual report of the Government to the Council of Ministers, the National legislative Assembly and the Council of States; coordinate, cooperate and collaborate with the ten states, local governments, development partners and friendly and sisterly countries; and ensure regional and international environmental agreements,

conventions and protocols are implemented in the Republic of South Sudan.

- (b) **The Lead Agencies:** Each Lead Agency is mandated to perform: fulfil its public duty and protect the environment; draft a subsidiary legislation related to the segment of the environment assigned to it by law in consultation with the Ministry of Environment; contribute to the work of the National Environment Forum as a Member; and fulfil any other functions assigned to it by the law.
- (c) **State Ministries Responsible for the Environment:** Each State Ministry responsible for the environment is mandated to: implement national policies, laws, regulations, strategic; enact environmental laws provided that such laws are compatible with the national laws; coordinate implementation of national environmental programmes throughout the State; ensure that the national environmental standards, including the standards for the conduct of environmental impact assessments, are adhered to by all the stakeholders in the State; coordinate implementation of projects funded by the National Environment Protection Fund and the donors; protect areas designated as Natural Heritage Sites, National Parks and Game Reserves, National Conservation Forests; render an annual report on the environment in the State to the National Ministry of Environment to be able to compile and submit the annual report of the Government to the National Council of Ministers, the National legislative Assembly and the National Legislative Council of States; coordinate, cooperate and collaborate with the National Ministry, local governments and development partners in the State on matters related to the environment; and raise funds for environmental management programmes in the States
- (d) **Coordination, Monitoring and Evaluation of the National Environment Policy:** The Ministry of Environment, at the national level of the government is the overall body responsible for monitoring implementation of The National Environment Protection and Sustainable Development Policy. The coordination at the three levels of the Government will be done by the following structures:
- **National Environment Forum:** Oversee implementation of the Policy all over the country.
 - **State Environment Forums:** Monitor implementation of the Policy at the State level; and report to the National Environment Forum on a quarterly basis.
 - **County Environment Forums:** monitor implementation of the Policy at the State and County levels and Report to the State Environment Forum on a quarterly basis.

Programmes and partnerships

70. FAO has been supporting the government of South Sudan in the advisory services such as collection and interpretation of weather data and information. However, there has been still a big gap in terms of disseminating it to the end users. Thus, synergy with FAO, including the Meteorology department at the Ministry of Transport, is crucial to ensure effective advisory and outreach mechanisms through capacity development, installation of high-tech meteorological equipment and provision of radios, tablets, mobile devices for delivery of weather information.
71. WFP are also implementing a project, which has a component on business skill development.

72. Generally, synergy with UN agencies, such as FAO, WFP, UNDP etc. that have physical presence in most of the states and counties will ensure successful implementation of IFAD's COSOP and other ongoing projects such as SSLRP and READ. Especially on the operationalization of the national food system transformation pathway, IFAD will partner with FAO and other key stakeholders.
73. In the areas of social inclusion, including women and youth empowerment, GBV prevention, and nutrition, partnerships with key stakeholders, such as UNFPA, UNICEF, UNESCO, should be sought. Collaboration with Organisations for Persons with Disabilities (OPD), such as the South Sudan Union for Persons with Disabilities or Light for the World, are key to ensure disability-inclusive design and implementation, ensuring differently abled people can benefit from interventions supported under the COSOP.
74. Amidst the dominant humanitarian support, both the government and developing partners in South Sudan, are complementing each other, investing in smallholder agriculture productivity and production; enhancing community resilience and social capital; and supporting value chains, particularly in forest products (honey, shear butter, gum-arabic, etc.), staples, thereby creating opportunities and rural jobs for the youth and the women. Integrated rural development is limited and there are gaps in investment in socio-economic infrastructures. Nevertheless, the three strategic programming are scantily spread in South Sudan and require stronger coordination to enable systematic building of human and social capitals, creating of jobs, increasing rural incomes - thereby contributing to the consolidation of peace – which is a prerequisite for development.
75. Actors, based on their comparative advantages, are supporting increase in primary production particularly of the staples, which is paving ways for investments in value additions and value chain development, based on the surpluses of locally available raw materials. This creates demands for private sector involvement, improvement in macroeconomic management, economic infrastructure, and stability need to be addressed. International experience shows that CDD interventions, similar to the SSLRP, can lead to the broadening the scope of interventions, so as to cover more technical requirements.

Part 3 - Strategic recommendations

Lessons learned

76. IFAD's only prior engagement in South Sudan was through a six-year project, the South Sudan livelihood Development Project (SSLDP), which was launched in 2009 but ended prematurely in 2011 due to the security crisis in the country. Although the Country Strategic Note [CSN] that ended in December 2022 was not formally reviewed, a self-review by the South Sudan country provided valuable insights into the performance of the portfolio and the lessons learnt. Nevertheless, for the design of this first COSOP for South Sudan, the lessons from the implementation of SSLDP are complemented by current experience from the on-going operations and from similar/ related projects financed in South Sudan. These lessons provide valuable information for the design of the COSOP and this include: delays in the start-up of projects occasioned by the progressive learning in the transition into development *modus operandi* by the implementing partners; the critical **importance of climate resilience rural infrastructure** as the main enabler for farmer access to markets and services; the challenges in geographical targeting, considering that vulnerability in South Sudan is widespread and one is bound to find them within one administrative boundary.
77. **Integrated approach.** An integrated rural approach in the short-run, can impact on food and nutrition security – by promoting nutrition-sensitive value chain and

nutritious foods, selected based on a combination of local production capacity, food security potential, household consumption, livelihood sustainability (employment), export potential, local market demand, feasibility of production, and availability of base inputs. In the long-term, it can impact on poverty reduction, with stronger coordination and strategic partnerships with the related sectors - water, feeder roads, education, and engaging participation of the beneficiaries. In particular, the poor conditions of rural infrastructure have undermined production and marketing of agricultural production in South Sudan.

78. **Fragility.** Due to weak governing systems, limited institutional capacities, limited availability of rural service providers and poor coordination mechanisms at both local and national levels, implementation of projects and programmes by all International Financing Institutions (IFIs) have been outsourced to Third Parties. There are, nevertheless, persistent problems with relationships and understanding of roles and responsibilities between the Government-led Project Coordination Units and the Implementing Agencies. Lessons from on-going operations indicate that to achieve the objectives, implementation support by IFAD will be required to both PCU and the IA, to handhold them in the implementation process. The selection of the IA also needs to be more rigorous, to bring on board transformative organisations.
79. **Catalytic role in development.** IFAD's current and past interventions seek to build on the Country System, working with diverse and strategic partners, to for instance, support and strengthen a Single Coordination Unit at the Ministry of Agriculture and Food Security, to adopt a more-programmatic approach, to harness investments that are owned by government and the communities. Adopting such an approach for the other projects would allow: (i) longer-term strategic engagement in area-based programming; (ii) reduced start-up delays of subsequent phases; and (iii) enhanced coordination efforts, based on a more predictable investment pipeline.
80. **Climate Resilient investment/development** (huge investment on forest management including renewable energy, irrigation, advisory services): South Sudan is 5th most vulnerable country to the impact of climate change and 176th least ready to respond. Thus, all development endeavours by the government, development partners and other actors need to ensure climate considerations in the formulation of policies and strategies as well as design and implementation of programmes and projects. The most important prioritized strategic investments are:
- i. **Forest Conservation and management:** South Sudan has long been experiencing high rate of deforestation mainly for charcoal production as well as intensification of agriculture production. To this effect strategic investment on forest management is key to avoid deforestation and enhance benefits gained from the sector such as tourism, wildlife management, sequestration of greenhouse gases among others. Specific proposed intervention includes awareness raising and sensitization, nursery development and afforestation, improved cook-stove production, and dissemination.
 - ii. **Climate Resilient infrastructure/irrigation Development:** South Sudan has huge potential of water resources and fertilized soil. However, these resources have not been properly harnessed. Thus, investment in small, medium, and large-scale irrigation schemes is key. This investment will be accompanied by water efficient technologies, renewable energy and multiple use of water for irrigation, water use, livestock drinking.
 - iii. **Agricultural Insurance:** This is one way in which small holder farmers and pastoral and agro-pastoral communities could cope with the adverse impact of climate change such as flooding and drought. Therefore, it is extremely

important to: (I) create conducive environment for insurance companies to engage in agricultural insurance, (ii) capacitate government and other key stakeholders to consider this during sectoral strategy/policy formulation/revision and implementation, (iii) aware communities, specially the vulnerable, to participate in agricultural insurance, (iv) encourage development partners and private sector to support the sector.

- iv. **Strengthening the advisory service, particularly the meteorological service:** South Sudan has access to weather information and government and non-governmental organizations are supporting the weather data collection and interpretation. However, weather information dissemination to small holder farmer and pastoralists has remained the main challenge. Thus, investment in the advisory service chain in general and in dissemination in particular is one of the key strategic priorities in South Sudan.
- v. **Resource Mobilization:** Beside IFAD's PBAS allocation, South Sudan is eligible to mobilize resources from international climate finance such as the Green Climate Fund (GCF), Global Environmental Facility (GEF) and the Adaptation Fund (AF). To this effect, strategic support to the government of South Sudan mainly through the Ministry of Environment and Forest (MoEF) is key. Besides, partnership with other accredited agencies is crucial to ensure coordinated planning to bring about impactful results. As per the discussion and agreement with the MoEF, IFAD will initiate development of project concepts to mobilize resources from the GEF, and AF that provide grant resources.
- vi. **Inter-ministerial coalitions including vertical linkage:** From the outcomes of the stakeholder consultation, it has become crystal clear that COSOP should be a multi-sectoral strategic programme to address to multifaceted environmental, climatic, social, economic, and other drivers of conflict and to transform the country from humanitarian into resilient pathways including re-construction. The key areas/sectors that the COSOP should consider for development include Agriculture, water including irrigation, Forestry and climate change, renewable and alternative energy technologies, livestock, fisheries, advisory services, including strengthening of extension services. To this effect, vertical and horizontal coordination of government and non-government organizations, development partners, private sector including farmers associations will play a pivotal role in the effective planning and implementation of policies, strategies, programmes and projects.
- vii. **Synergy public and private sector:** Empowering private sector to engage and take part in various developmental endeavours is important.
- viii. **Private Sector Engagement:** lack of rural land tenure system, insecurity, limited capacity, and interest of the private sector in engaged/invest in Natural Resource, climate resilient are among the key bottlenecks for the lack of adequate investment by the private sector in the rural areas. Therefore, creating conducive environment for private sector to engage in Environment management, renewable energy, conservation agriculture practices, NRM (incentives, access to loan/credit) should be strategic priority.
- ix. **Policy implementation (awareness, institutional arrangement, funds, etc.)** Sectoral policies on agriculture, environment, forestry, livestock and fishery, private sector etc are available in South Sudan. However, implementation has long been the challenge. Therefore, the following

activities are advised to ensure smooth implementation: (i) assessment and amendment/revision of existing policies, capacity development and awareness, ensuing availability of required institutional arrangement and most importantly availing resources/finance.

- x. **Use of indigenous knowledge:** Elderly people and local communities use their indigenous knowledge to forecast weather, select the crop, farming practice/system that is convenient to the prevailing environmental conditions. Thus, it is important to engage the local and knowledgeable part of the community to harness their indigenous knowledge in the area of climate information and weather forecast, application of adaptive mechanisms including practices and technologies.

Strategic orientation

COSOP alignment to government's Environment and Climate policies and strategies:

81. The first South Sudan COSOP is aligned with the above-mentioned government policies and strategies and other sectoral strategies through analysis of these policies and strategies, incorporating it into the COSOP strategic objectives and actions.
- (a) South Sudan's National Adaptation Programme of Action (NAPA, 2016) specifies five priority activities (referred as Priority Adaptation Projects) for effective climate change adaptation across the five identified priority thematic areas, namely:
- Environment: Promotion of reforestation and agroforestry to reduce vulnerability to droughts and floods
 - Water Resources: Sustainable management and conservation of wetlands South Sudan
 - Agriculture: Promotion of climate-smart agricultural techniques to improve livelihoods and food security under changing climatic patterns
 - Disaster Risk Reduction: Establish improved drought and flood Early Warning Systems in South Sudan through improved hydro-meteorological monitoring network
 - Policy and Institutional Framework: Strengthening the institutional capacity of the Government of South Sudan to integrate climate change into national policies and planning processes.
- (b) National Determined Contributions (NDCs, 2021): South Sudan significantly increased its climate ambition of reducing emissions across its sectors by 109.87 million tonnes of carbon dioxide equivalent while sequestering an additional 45.06 million tonnes by 2030. The second NDC will contribute to South Sudan aim of transitioning from a least developed country to a middle-income country by 2030. The second NDCs has identified the adaptation strategies for key sectors such as agriculture and fisheries, infrastructure, forestry, biodiversity, ecosystem and sustainable wetland management and water, all of which are in line with IFAD's comparative advantage and investment priorities. The below table includes sectoral strategies and specific activities where IFAD can contribute to:

Table: Adaptation strategies and activities prioritized in the NDC and are in line with IFAD's investment priorities

Adaptation Strategies for Agriculture and Livestock	
Strategy	Activities
Promote climate-smart agriculture and livestock techniques. to increase productivity, reduce vulnerability to droughts and other climate-related risks while reducing GHG emissions.	Assessment of specific climate-related risks and vulnerabilities on food producing sectors.
	Develop climate-smart projects on building resilience of livestock and pastoral communities, especially, in rural areas
	Build the capacity of local communities on climate change
	Implement control measures for crop pests and diseases to prevent crop loss.
Promote the use of climate-resilient seeds and crops. (for example, utilizing varieties of flood-resilient rice in flood-prone areas).	Implement the Seed Policy that was drafted in 2012 by the Ministry of Animal Resources and Fisheries that focuses on establishing a Seed Testing and Certification Agency to control the quality of seed in the country.
	Development of a seed breeding and seed bank centre to provide climate-resilient seed varieties to farmers across the country.
Adoption of digital solutions to keep farmers informed about agricultural markets.	Conduct a feasibility study for the development and adoption of digital solutions to enable farmers' access to information on agricultural hubs and climate-related information
Promote community-based watershed management. Establishing rainwater harvesting structures and encouraging communities to participate in watershed management initiatives for maintaining water quantity and quality will be key aspects of the second NDC.	Excavate haffirs (local rainwater harvesting structures) in strategic locations.
	Community-managed construction of boreholes and maintenance of existing ones for use of livestock and their owners.
Conduct rangeland mapping to control overgrazing.	Disseminate the National Livestock Feed Guide to all key stakeholders and build the capacity of livestock owners to adopt good practices for managing livestock feed.
	Reseed and introduce high-quality grass seeds in rangelands; encourage communities to produce fodder for commercial purposes.
	Promote the adoption of modern grazing techniques such as rotational grazing, common grazing and zero grazing.
Implement water management initiatives for livestock in regions prone to droughts. To reduce vulnerability of pastoralist communities during dry seasons, water conservation and management initiatives to ensuring future water availability.	Conduct research and develop maps that indicate the rangelands of South Sudan.
	Utilize the results of studies to construct water harvesting structures and boreholes in states prone to droughts and conflicts over natural resources.
Introduce an index-based livestock insurance system in the country.	Conduct a feasibility study for an index-based livestock insurance system.
Build traditional knowledge to support community-based adaptation.	Conduct and document a study on ethno-veterinary knowledge
	Utilize traditional knowledge of rural and local communities into modern plans to support climate adaptation in the sector
Establish early warning systems.	Develop conflict-mitigation measures to address conflicts on natural resources
Adaptation Strategies for Fisheries	

Strategies	Activities
Enhance climate-resilient fish production. Fisheries are an important source of livelihood and provide nutritional security to large numbers of people. Therefore, South Sudan will focus on enhancing climate-resilient fish production by promoting activities such as restoring fish habitats that would contribute to protecting a large number of people dependent on fishes	Restore and sustainably manage fish habitats, especially wetlands such as the Sudd swamps and Nile basin
Promote alternative livelihood options. South Sudan will promote small-scale aquaculture to improve food security by empowering 10% of the farmers across the country by 2030.	Develop an action plan to implement the National Aquaculture Development Strategy.
Enhance the supply chain for the fisheries industry. Enhancing the supply chain will support communities by minimizing losses (as currently most fish catches are kept in open spaces) due to extreme weather events and will help fishing communities to increase sales and earn more.	Develop transport infrastructure and cold-storage facilities.
Build the capacity of communities. Increase awareness of communities in the fisheries supply chain on climate change and risk management.	Enhance the capacity of communities on climate change through workshops, training modules and by providing services such as early warning systems.
Carry out research to assess the impacts of climate change on fisheries and develop knowledge on this. As highlighted in the South Sudan Fisheries Policy, the country will conduct research and develop a monitoring and reporting framework to assess the impacts of climate change on fisheries.	Utilize existing academic and research institutions within the country (e.g., Juba University, Yei Agricultural Research Centre) to carry out various studies and review associated literature on the impacts of climate change on key food-producing sectors such as agriculture and fisheries
Adaptation Strategies for the Biodiversity, Ecosystem and Sustainable Wetland management	
Strategies	Activities
Conduct a biodiversity mapping study. South Sudan will focus on understanding native and endangered species in various regions in the country through a biodiversity mapping study and/or a census. This will enable South Sudan to direct and prioritize conservation resources in a structured manner	Utilize the capacity of existing research institutions and universities in the country to conduct a biodiversity mapping study throughout the country.
Strengthen the National Biodiversity Strategy and Action Plan. South Sudan will declare commitment to the National Biodiversity Strategy and Action Plan (2018–2027) by showcasing its current implementation status and a roadmap for future implementation.	Build more comprehensive and strengthened action plans for conserving the biodiversity of South Sudan
Reduce the rate of deforestation by promoting alternative sources of energy. The government will develop suitable regulations and measures for reducing the deforestation rate by increasing access to	Assess available energy sources.
	Select suitable energy sources that can be sustainably used by communities that are currently dependent on fuel wood.

electricity, introducing alternative sources of energy and strengthening land-use management policies and planning.	Develop a roadmap and implementation plan for introducing alternative energy sources.
	Monitor and evaluate project performance.
Promote agroforestry. South Sudan will promote agroforestry for diversifying land production systems and also to promote alternative livelihood options.	Assessment of available production systems and the tree and crop species involved.
	Utilize indigenous and scientific know-ledge to identify combinations of tree species that could provide improved livelihood opportunities to people, while also acting as a carbon sink.
Promote afforestation of degraded landscapes. South Sudan will promote afforestation of degraded landscapes and of watersheds using multi-purpose tree species to increase community safety nets and to diversify livelihoods.	Planning phase: <ul style="list-style-type: none"> • Identify degraded sites for afforestation. • Organize a tender to carry out afforestation works.
	Implementation phase: <ul style="list-style-type: none"> • Develop baselines. • Select tree species and design planting protocols. • Establish forest nursery for seedling production. • Prepare soil. • Implement planting and tending activities.
	Monitoring phase: <ul style="list-style-type: none"> • Monitor overall project performance. • Monitor carbon levels in trees and soil. • Create project database. • Build capacity and raise awareness of various levels of involved stakeholders.
Develop a management plan to protect watersheds. The government will develop forest reserves and management plans to protect natural watersheds to maintain water availability and quality.	Study the existing literature and information available for the country.
	Conduct field studies and stakeholder consultations to gather insight on forest reserves and watershed management practices.
	Outline the country's biodiversity targets.
	Carry out monitoring and evaluation.
	Draft management plans for forest reserves and watershed protection
Introduce integrated natural resources management. Government will promote an integrated natural resources management approach whereby coordination between different stakeholders and development efforts are integrated to address human and institutional factors affecting the conservation of natural resources, as well as affecting livelihoods.	Identify and select different natural resource management approaches that best fit the context in South Sudan
	Implement, monitor and evaluate the performance of identified management approaches
Strengthen institutional and governance frameworks for implementation of environmental regulations. The government will focus on strengthening and improving governance mechanisms and institutional frameworks for efficient enforcement of environmental regulations in the country.	Review the existing environmental regulations to identify areas for improvement.
	Identify the drivers of law enforcement
Adaptation Strategies for the Forestry Sector	
Strategies	Activities

Sustainable management of forests through community involvement	Enable community members to participate in the management of forest lands
Establish early warning systems	Develop early warning systems and response measures to control widespread pest and/or disease outbreaks to reduce their negative impacts on vegetation.
Adaptation Strategies for Infrastructures	
Mainstream climate resilience in construction activities.	awareness creation and promote the use of climate-resilient construction materials to adapt infrastructure to expected changes in climate.
	Developing flood-proof infrastructure and increased planning for floods
Develop regulations to ensure environmental and social impact assessments for large infrastructure projects	Infrastructure development should be subjected to the ESIA processes.

- (c) First State of Environment and Outlook Report (2018): presents the state of key sectors such as agriculture, biodiversity, forestry, water resources and wetlands. The state of the Environment also identifies the following recommendations for peace building through Natural Resource Management:
- Improve resource governance and sustainability,
 - Provide better accountability.
 - Involve more community participation; and
 - Provide stronger mechanisms for dispute resolution, reduced competition for resources, and improved transboundary resource management.
- (d) Ministry of Gender, Child and Social Welfare Strategic Plan 2022-2027: Identified nine strategic directions of which one is composed of five cross-cutting themes, including the operationalization of a Women Enterprise Fund to empower women economically, social protection and rehabilitation of children people living with disabilities and survivors of sexual and gender-based violence, support inclusivity in the implementation of R-ARCSS processes, build gender statistics/disaggregated data or the provision of improved support services, including establishing community-based rehabilitation for persons with disabilities and the elderly in all states. Leveraging safety nets put in place by the Government will be essential to avoid creation of parallel systems.
- (e) CAMP: Gender capacity development; strengthen the capacity of the three implementing ministries to work with gender issues; mainstream gender into policies, strategies, and projects, and implement programs stemming from ministerial policy
- (f) Food security and Nutrition: National Food System Pathway.

Strategic actions and targeting

82. Actions include: (I) Resource allocation for the prioritized actions to build climate resilient and green development, (ii) Capacity development and awareness to key government, nongovernment, and other actors such as the communities to enhance performance and maximize deliverables, (iii) strengthening the

partnership with local and international government and non-government organization for coordinated effort and action.

83. **Foster a multi-sectoral and multi-stakeholder approach to Food System transformation** with geared attention to improving dietary diversity and nutrition. Thereby, engaging in key coordination platforms and forging partnerships with key players to implement the national food system transformation pathway and sustainably preventing and reducing malnutrition for target groups. Only around four percent of land is currently cultivated while 33 million hectares of land are suitable for agriculture. Over the COSOP lifespan, interventions should revive the agricultural sector for sustainable production of nutritious foods through crop diversification, biofortification, and multi-purpose water and market-related infrastructure, which will also address post-harvest losses, and ensure access and affordability to reduce food insecurity and fight malnutrition. For a wide and impactful outreach, IFAD will move away from siloed approaches and rather partner with key players, such as UNICEF and FAO, to roll out Social Behaviour Change Communication campaigns and interventions.
84. **Integrate Gender-transformative approaches** as a powerful tool to address harmful norms and behaviours impacting young men and women in households and the communities. The selected methodologies should be sensitive to the country context and adjusted for meaningful engagement of household and/or group members to allow for maximized impacts. It can be used as a lever to reduce GBV, improve women's access and control over resources and assets while also lifting disproportionate work burden for enhanced well-being. Thereby, the do-no-harm principle will need to factor into the design so that no one is left worse-off.
85. **Unlocking youth' potential through upskilling and providing employment opportunities:** The remnants of the prolonged war and perpetual insecurities, corruption, limited knowledge, and marketable skills along with limited access to finance, inputs, (climate-smart) technologies create a challenging environment hampering young men and women to thrive, while also being a driver for violence, perpetuated by young men, amongst others due to lack of lucrative livelihood opportunities. The COSOP will take considerable efforts in investing in youth by building competencies for wage- and self-employment, enhancing access to finance and assets, and creating a conducive ecosystem for rural young men and women, including youth with disabilities and from different ethnic groups, to break out of poverty and violence cycles and contribute to nation-building, peace, and security. As a pre-requisite, peace must be sustained for young men and women to attend education without major disruption. Further, the environment needs to be conducive to young men and women to actively participate and thrive in the economy, free from corruption and (sexual) violence. Any form of child labor will not be permitted in IFAD-supported activities and projects.
86. **Pro-poor gender and youth-sensitive targeting strategies:** sharpen methods to target ultra-poor populations through graduation programming and supporting smallholders through pro-poor and inclusive value chain development interventions sensitive to gender and youth-specific challenges and opportunities. Build on CDD approach and FPIC process for engagement and data collection of ethnic groups residing in targeted areas.
87. **Inclusive design features need to be considered when designing projects and interventions**, which consider constraints faced by the most vulnerable and provide pathways for participation and equitable benefit-sharing. For instance, in order to target and involve persons with disabilities reasonable accommodations should be provided and to the best extent possible, venues for intervention should be accessible for persons with disabilities, and in close proximity for women to reduce time-burden.

88. **Partnership with Organisations for Persons with Disabilities (OPDs):** Foster partnerships with OPDs for inclusive outreach, disability-inclusive and empowering design features through a twin-track approach and leverage on knowledge and expertise in collecting disaggregated data and evidence generation.

Monitoring

89. In long-term, it is envisioned that impact indicators of all IFAD's interventions will be aligned to the national grid and reported as part of the regular national household surveys carried by government. To this end, IFAD, and the Government have agreed to a joint design and monitoring of the results of the COSOP. All on-going IFAD's operations and the new ones under design, will contribute to the overall results envisioned by the COSOP. Hence, their result frameworks, and schedules of reporting, will contribute to the achievements of the COSOP. Specifically, there will be annually joint reviews of the COSOP, to assess progress being made based on Results Measurement Framework, Results and Impact Management System targets, and policy dialogue and knowledge management activities. It is envisioned that a sector-wide initiative for monitoring will be initiated that will also engage donors supporting the various sectors.
90. IFAD and the Government [including the donors involved in partnerships] will conduct a midterm review of the COSOP to assess the relevance, effectiveness, and efficiency of IFAD's country programme and to adjust as needed in response to emerging lessons or priorities. To strengthen project and sector M&E, IFAD will commit to: (i) providing project/programme staff with long-term, regular implementation support; and (ii) enhancing agriculture-sector planning and M&E through a capacity-building initiative in partnership.

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Fragility Assessment Note

Fragility Assessment for South Sudan with a Special Focus on Agriculture

1. South Sudan, a young nation that gained independence in 2011, faces significant fragility in various sectors, including agriculture.
2. The country is one of the world's most politically fragile countries, where conflicts and violence have exasperated population movements, population displacements and settlements²³. Conflicts have severely disrupted economic activities²⁴, destabilised settlements, killed²⁵ and depopulated the rural areas, and stagnated the exploitations of South Sudan's rural potentials²⁶. In global rankings of conflict events, South Sudan is ranked sixth, making it one of the most violence prone countries in the world. From 2011 to 2014, there were about 1 643 reported conflict events in South Sudan. The structural causes of the on-going conflict are rooted in interwoven political, economic, social, and environmental issues that undermine sustainable peace (REACH, 2014:10).
3. Agriculture is the backbone of South Sudan's economy, employing a significant portion of the population and contributing to food security and livelihoods. However, the sector faces numerous challenges that undermine its stability and productivity, leading to fragility. These challenges include:
 - Limited Infrastructure: South Sudan has inadequate infrastructure, including transportation networks, irrigation systems, and storage facilities. This limits farmers' ability to access markets, transport their produce, and store surplus harvests, resulting in significant post-harvest losses.
 - Land and Resource Management: Land disputes and inadequate land tenure systems pose significant challenges to agricultural development. Unclear land rights, frequent conflicts, and weak enforcement mechanisms contribute to an environment of insecurity and fragility, hindering agricultural investments and productivity.
 - Climate Change and Environmental Degradation: South Sudan is highly vulnerable to climate change impacts, including erratic rainfall patterns, prolonged droughts, and floods. These events lead to crop failures, loss of livestock, and displacement of communities. Environmental degradation, such as deforestation and soil erosion, exacerbates these challenges.
 - According to the 2023 OCHA Inform Risk Index, South Sudan is the second most vulnerable country globally to be impacts of natural hazards, including droughts and floods and one in two South Sudanese live in areas exposed to moderate flood hazard.
 - The country is vulnerable to Desert locust phenomenon, foot and mouth disease for cattle, and increased incidence of crop and livestock pests as well as diseases.
 - Limited Access to Inputs and Technology: Farmers in South Sudan face difficulties in accessing quality seeds, fertilizers, and agricultural machinery

²³ Most trained professionals have moved away from the hotspots. Cases for road engineers trained by WFP and positioned in Mundri, Torit and Magwi have been reported during end of project evaluation in 2018

²⁴ It is stated that 70% of the land is suitable for agriculture production. Only 4% of the arable land is currently cultivated

²⁵ According to studies [ACLED, 2015], South Sudan has the third highest number of fatalities for communal violence in Africa with average fatalities per communal violence events standing at 13.9 compared to the continental average of 5.8.

²⁶ Based on counterfactual analysis and various estimations of the costs of the civil war in terms of destruction, disruption, diversion and dissaving, Frontier Economics (2015) estimated that, should the conflict continue for a further one to five years, the war will cost South Sudan between US\$ 22.3 billion and US\$ 28.2 billion in terms of lost real GDP.

especially for ploughing land and value addition. Limited extension services and inadequate knowledge transfer further restrict the adoption of modern agricultural practices and technologies.

Fragility Factors in the Agricultural Sector

4. **Conflict and Insecurity:** Ongoing conflicts and security challenges disrupt agricultural activities, displacing farmers, destroying infrastructure, and limiting access to farmlands. The presence of armed groups and intercommunal conflicts exacerbate the fragility, making it difficult for farmers to cultivate their lands safely.
5. Conflict has profoundly impacted on both the crop and livestock sectors in South Sudan. In case of livestock, there was redistribution, stripping off the rich and depleting of stocks for the poor. There is pressing requirements for restocking and animal health interventions. This is in addition to measures to reduce cattle raiding, and the need for compensation for raided livestock and damage to settled farming communities.
6. **Weak Institutions and Governance:** Inadequate institutional capacity, corruption, and lack of coordination among relevant ministries and agencies undermine effective policy implementation and provision of essential services to farmers. Weak governance contributes to the overall fragility of the agricultural sector.
7. **Limited Market Access:** Poor Road networks, high transportation costs, and limited market linkages restrict farmers' ability to sell their produce and access profitable markets. This limits their income-generating opportunities and perpetuates poverty and fragility.

Food insecurity

8. The following key points outline the food insecurity situation in South Sudan²⁷:
 - Between April and July, almost two-thirds of the total population, estimated at 7.76 million people, face severe acute food insecurity.
 - Cereal production in 2022 showed a slight increase of 12 to 16 percent compared to 2021 and the five-year average, reaching approximately 936,000 tons.
 - The southern bimodal rainfall areas experienced below-average precipitation between March and May, which further impacted agricultural productivity.
 - High food prices have limited access to food for a significant number of households.
 - Macroeconomic challenges, including high inflation, insufficient food supplies, and livelihood losses due to consecutive years of widespread floods, have worsened the seasonal deterioration of the food security situation since early 2023.
 - Volatile economic environment has increase cost of farm inputs. This has limit farmers ability to scale up production and value addition.
9. According to the latest IPC analysis, approximately 7.76 million people, comprising nearly two-thirds of the population, face IPC Phase 3 (Crisis) or worse levels of acute food insecurity during the lean season between April and July. The most severe food insecurity is reported in the states of Upper Nile, Northern Bahr el Ghazal, Jonglei (including Pibor Administrative area), and Unity. In these areas, between 70 and 77 percent of the population experiences severe food insecurity.

²⁷ Source: <https://www.fao.org/giews/countrybrief/country/SSD/pdf/SSD.pdf>

Moreover, approximately 43,000 individuals in Jonglei and Unity states are classified under IPC Phase 5 (Catastrophe), indicating extreme levels of acute food insecurity.

Impact of Violent Conflicts and Displacement

10. South Sudan's security situation has seen some improvement since the ceasefire signed in 2018, leading to the return of approximately 627,000 internally displaced persons (IDPs) to their places of origin by December 2022. However, the region remains volatile, and organized violence at the subnational level in the Greater Upper Nile Region since August 2022 has resulted in the displacement of around 20,000 people. Currently, approximately 2.2 million people remain internally displaced, and 2.27 million refugees are residing in neighboring countries such as Uganda, Sudan, the Democratic Republic of the Congo, Ethiopia, and Kenya.
11. The ongoing fighting between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) in Sudan is having a significant impact on South Sudan. The clashes have resulted in an increasing death toll and numerous injuries. As a result, civilians are fleeing to neighboring countries, including Chad, Egypt, and South Sudan, potentially leading to a rise in the number of refugees and South Sudanese returnees.
12. Humanitarian partners are closely monitoring the movement of people across the border and providing support in areas such as protection, health, water, sanitation, hygiene, and shelter.
13. However, the longer food aid is provided, the more it has a direct impact on the local food market and price trends. Therefore, nuanced planning and management are required to avoid affecting smallholders' livelihoods by flooding them with aid.
14. To effectively address these challenges, long-term food assistance needs to bridge humanitarian action, development intervention and peacebuilding. Thus, food assistance is a key instrument addressed in current debates of the humanitarian–development–peace (HDP) nexus, which calls for greater cooperation and coordination among actors in humanitarian aid, development cooperation and peacebuilding.²⁸

Escalating Prices and Economic Challenges

15. In South Sudan's capital, Juba, the period between June and September 2022 witnessed a significant increase in maize prices by 65 percent and sorghum prices doubling. This surge can be attributed to substantial depreciation of the exchange rate and more than doubled fuel prices, which inflated transport costs. The sharp increase in fuel prices was influenced by the global impact of the war in Ukraine on international oil prices. Between October 2022 and February 2023, coarse grain prices increased by 15-20 percent, although the rising trend eased due to the commercialization of newly harvested crops in 2022. In February 2023, maize and sorghum prices were approximately twice as high as the previous year, with exceptionally high levels observed across the country. Markets in Rumbek, Gogrial, Bor, and Aweil reported prices two to three times higher than the previous year. Insufficient supplies, low foreign currency reserves, a weak national currency, and high fuel prices primarily contributed to these elevated cereal prices. Reduced imports from neighboring Uganda, where exportable surpluses declined in 2022, further added to the upward pressure on prices.

Gender & Youth

16. Women account for over 60% of the population in South Sudan as a direct result of over 39 years of conflict since Sudan's Independence. Years of conflict have

²⁸ Addressing Food Crises in Violent Conflicts, Food Systems Summit Brief, April 2021, https://sc-fss2021.org/wp-content/uploads/2021/04/FSS_Brief_Addressing_Food_Crises_in_Violent_Conflicts.pdf

deprived women of their dependents, husbands, and sons, coupled with discriminatory cultural traditions and abject poverty. These factors undermine the promotion of equal rights and the ability of women to actively participate in the development initiatives. Women work extra hours in a day, tending to their families and their responsibilities are not only physically challenging and time consuming but emotionally draining.

17. Violence against women and the lack of recognition of women's rights as a human right is a key feature that exacerbates this situation Gender Based Violence (GBV). Gender inequality and GBV is pervasive and has been propagated by the conflict and used as a weapon.
18. A large percentage of women in South Sudan are illiterate, with 50 percent of girls under the age of 18 are married. While the number of girls enrolled in school has increased over the last few years since the signing of the comprehensive peace agreement in 2005, it remains low compared to boys.
19. Women have limited control over crops produced for sale. Customary laws refuse to grant property ownership to women: women's access to land is permitted only by their husbands and male family members. This limits women's participation in extensive agriculture and hinders their access to credit and loan funding.
20. Culturally created social norms continue to be one of the impediments for the youth to realise their potential. Female youth face challenges in obtaining education due to early pregnancies and forced marriages. The male youth on the other hand are expected to look after livestock which exposes them to insecurity such as cattle raids and abductions (UNICEF 2015). Conflicts propagated by youth are due to lack of employment opportunities and the need to gain resources such as cattle for dowry payment. Another motivation is the pride people take in being 'warriors' as the community respects people who defend the community. These factors combined with existence of politically motivated ethnic tensions threaten to prolong conflict in South Sudan and make it even harder for youth to pursue a productive and non-violent future. The lack of training and education opportunities, marketable skills, and experience favours recruitment by armed militias, further exposing households to violence, displacement, and limited productive labour (Institute of Security Studies 2019).
21. **Returnees:** Returning families have challenges of shelter and lack of comprehensive health services in the places of returns has a huge. Although many returnees have land for farming, they lack seeds and tools. Reliable livelihoods opportunities are scarce and although they may have capacity, they lack start-up capital. House, land and property issues is another challenge for returning families because they cannot return to their places of origin as their land/houses and properties have been occupied by the cattle keepers from other states. While a marked increase in displaced people deciding to return would be an indication of greater stability and prospects for prosperity and potentially reinforce these in the long term, high volumes of returns could in the short to medium term worsen vulnerable people's well-being and living conditions and erode community resilience.
22. **Internally displaced persons (IDPs):** More recently, as the war has moved southward, the Equatoria region has received many IDPs (413,000). Most IDPs live outside of camps. About 7 in 10 IDPs are now displaced in their state of origin, with half of them even in their country of origin indicating that they did not travel far to reach the camps. This also implies that they would not have to cover large distances, security permitting, to check on their dwellings and livelihoods or, eventually, return home.
23. **Persons with Disabilities:** Households that have members with physical disability generally have a reduced capacity to generate adequate resources for food and

other basic needs than those with able-bodied members. **Child labour:** Children in South Sudan engage in the worst forms of child labour, including in armed conflict and cattle herding. Levels of child involvement in economic activity are remarkably high affecting almost half of 10-14-year-olds (45percent) according to the Bureau of International Labour Affairs (2018). However, despite that situation, some path of progress is expected as the convention against the worse form of labour was ratified by the Government of the Republic of South Sudan in 1999 with its entry into force on 19 November 2000.

Conclusion and Recommendations

24. South Sudan faces a severe food security crisis, exacerbated by violent conflicts, displacement, and economic challenges. Urgent measures are required to address the prevailing situation and mitigate the fragility of the region. The following recommendations are proposed:
- Strengthen efforts to establish and maintain peace and security within the country, particularly in conflict-affected regions.
 - Enhance support for agricultural development and resilience-building initiatives to improve food production and reduce dependence on imports.
 - Increase investment in infrastructure, such as irrigation systems, storage facilities, and transport networks, to facilitate agricultural productivity and market access.
 - Improve access to humanitarian aid, including food assistance and nutrition programs, to address immediate needs and alleviate acute food insecurity.
 - Enhance collaboration among government agencies, humanitarian organizations, and international partners to coordinate response efforts and ensure effective resource allocation.
 - Promote sustainable livelihood diversification and income-generating activities to reduce vulnerability and enhance resilience among affected communities.
 - Support the development of local markets and value chains to strengthen food security and create economic opportunities.
 - Addressing the fragility of South Sudan's agriculture and food security requires a comprehensive and multi-dimensional approach involving government institutions, civil society, and the international community.
 - Design strategies to improve the economic and social viability of livestock sector for household food and nutrition security as well as a driver of a diversified, non-oil dependent economy.
 - Setting up a livestock information system for monitoring changes in key indicators for appropriate and timely intervention.
 - To support the risk prone areas such as Bor South, IFAD will engage actors with comparative advantages in humanitarian efforts like VSF-Germany, and WFP.

COSOP preparation process

1. The preparation process for the COSOP 2024 – 2029 in South Sudan has been the result of an intense consultations process in the country and remotely. The process has followed several steps and involved Government officials, Developments partners and various stakeholders at different levels. Ministries representatives, national institutions in public and private sectors took part in the consultations together with representatives from the nine States of South Sudan.
2. In IFAD, a COSOP Delivery Team (CDT) was established and led the process jointly with a National COSOP Design Team from the country, composed of representatives from Ministries and key national institutions. The Design approach has followed several steps with milestone for each:

1. Preparatory meetings

3. Prior to start the COSOP design, meetings have been organised with remote participation of IFAD teams in various locations (PDT members, IFAD country team in Addis Ababa, IFAD team in South Sudan) to ensure a fair understanding of the Design process, to agree on the ToRs and time frame for milestones and clarify all the logistic issues. Technical approach for the design has also been a focus during the meetings.

2. Literature reviews for Background analysis and Fragility assessment

4. South Sudan is ranked as the fourth most fragile country in the world. Many years of war and conflict have left the country with weak governance structures, law and order, unstable economy, compounded by the effects of COVID-19, mounting government debt and food and oil price volatility. Therefore, based on the current requirement of COSOP design, a comprehensive fragility assessment will be conducted and closely monitored.
5. Due to that situation, a background analysis through a literature review has been carried out to get current information on the country and IFAD portfolio and experiences, which may feed the COSOP strategic planning. In addition, the literature harnessed the country's statistical data and analytical studies in the development and agriculture arena, including national development strategy and planning documents, ongoing development projects and strategic documents related to the IFAD portfolio. This analysis helped in better understanding the country context and rural sector and the coherence with national priorities.

3. In-country consultations and COSOP design workshop

6. The country team has started the consultations in Juba, where all the relevant stakeholders were consulted in bilateral exchanges to gather their views on the current development context, the effectiveness of the sector strategies and their operational plans, lessons learned in past and ongoing interventions and their suggestions on future focus by IFAD and partners. A mission composed of IFAD 7 experts was organized from 29th March to 08th April in South Sudan to support the consultation process.
7. A stakeholder's consultations workshop was organized with critical stakeholders in Juba including national and those participants from the 10 States of South Sudan. Approximately 60 participants from various sectors attended the workshop held from 3rd to 5th April in Juba. During the 3 days of workshop, workshop achievements include : (i) identification of lessons learned from the previous and ongoing IFAD operations; (ii) identification of lessons learned from other development partners on IFAD thematic areas; (iii) drafting of the COSOP results matrix; vi) analysis of the cross-cutting themes (targeting, gender, scaling-up, country level policy engagement, natural resources and climate change, nutrition, youth issue); v) identification of the financing framework and the implementation

arrangements (monitoring and evaluation, knowledge management, partnerships, innovations, south-south cooperation).

8. Before leaving the country, the keys findings from the consultation process have been subject of discussions with Ministry of Agriculture top officials particularly the under-secretaries. An Aide Memoire was agreed and signed by IFAD and South Sudan Government party.

4. Drafting of the COSOP report

9. That COSOP report was drafted by the IFAD Country team based on inputs collected during all the process and building on key findings agreed in the Aide Memoire. A close link with the National COSOP Design Team was maintained for progressive and fair agreement on the content. IFAD, CDT members, Addis Ababa MCO team and other colleagues from the regional ESA team provided adequate contributions.

5. Reviews and approvals

10. In line with IFAD's new procedures in COSOP design, the draft document was submitted to the Regional Economist Network for review. The review and clearance steps will continue within IFAD from OSC up to the Executive Board. The review process includes in-country endorsement of the COSOP, through a country stakeholder validation.

South-South and Triangular Cooperation strategy

I. Introduction

1. South-South and Triangular Cooperation (SSTC) has been an important area of focus during the COSOP design process in South Sudan. It has been recognized as an important instrument for IFAD to deliver on its mandate of increasing agriculture production and productivity, food security, nutrition and incomes of poor people living in remote rural areas in developing countries. At corporate level, SSTC is recognized as a key area of work in IFAD's Strategic Framework 2016-2025 and a priority area for subsequent Replenishments cycles.
2. For South Sudan COSOP 2024 –2029, the elaboration of the SSTC was built on a national consultations process in the country including stakeholder consultations and various side bilateral exchanges. This annex summarizes the main points that arose from the consultations during the main mission organized from 29 April to 08 May 2023 in Juba and from other meetings held after the mission.

II. Opportunities for Rural Development Investment Promotion and Technical Exchanges in South Sudan

3. Under the framework of the East African commission, South Sudan has been involved in several initiatives for cooperation and development promoting regional socio economic and political integration. Free trade and movement is one of the key factors in support of boosting agricultural production and value chain development. These cooperations are mainly developed with Kenya, Congo, and Uganda. Outside the East African regions, cooperation for investments and development was developed with Asian countries, particularly India and China, on various sectors including trade, technical and technological collaboration and support. An MoU on Foreign Office Consultation (FOC) was signed with India on February 2019. The main items of Indian imports from South Sudan are oil and timber which can be further promoted through the COSOP specific objectives associated to Humanitarian assistance and disaster relief. China has provided support to humanitarian assistance. Opportunities to develop trade and investments exist also with Brazil.
4. In the field of capacity building and training, India is offering courses opportunities for government officials and students in South Sudan, as well as scholarships for higher studies. This can be an asset for Agricultural technology in the context of Sudan with needs to improve technics for production and processing of products to insure a high value Addition and more income generation to producers. China SSTC windows is also offering opportunities of specific and strategic investments in targeted areas.
5. The needs to promote SSTC initiatives in South Sudan is justified by all the analysis of context and challenges. It will help address some constraints related to the strategic areas identified during the COSOP design and consultations with stakeholders involved. Some keys thematic can be considered for the COSOP 2024 – 2029 as follows:
 - Value chain promotion through improved trade facilities and regulatory framework.
 - Technological development for processing, storage, and conservation of products.
 - Research and science collaboration for improved crops and animal varieties as well as pests and diseases control.
 - Knowledge management and share of experiences.

III. IFAD-South Sudan SSTC Engagement Rationale

6. **Value chain promotion through improved trade facilities and regulatory framework.** Improved trade facilities is one of the key challenges identified during the consultation process and appears as a cross cutting issues for crop, livestock, bees and fish production in the context of South Sudan. Poor quality of products needs to be tackled in the framework of SSTC in conjunction of receiving countries. Better enforcement of rules and regulations linked to certification of products is to be developed particularly under the East African commission. This can also enhance lifting of technical barriers for trade outside the sub region. Some countries like Kenya can share experiences on regulations and be used as model for replication. South Sudan Directorate for certification of products in the Ministry of trade and the chamber of Commerce can benefit of high-level support and technical homologation to play their effective role in that field. Foreseen SSTC activities here will be oriented mainly on trainings of Government officials involved, exchanges visits, organization of colloques, and studies to better understand the context, enabling standardization and certification materials for products.
7. **Technological development for processing, storage, and conservation of products.** SSTC activities under the COSOP specific objectives 2 will focus on collaboration with partners countries in advanced stage of technological development. India and China will be on contribution to promote exchanges and trainings on materials and equipment adapted to South Sudan context and value chain. In the African region and the east African community members countries, effective collaboration on processing of common value chain such as rice, fish, animal products and wheat will be reinforced with aims of diversification of products to fight nutritional insecurity. Capacity building for farmers institutions is also foreseen to promote local know how and adequate sustainability of human capital investments.
8. **Research and science collaboration for improved crops and animal varieties and species as well as pests and diseases control.** SSTC will support South Sudan National Research Institute to improve its delivery performance to accompany agricultural production and processing. Using the East African commission, some regional cross cutting issues like seeds and disease control can be developed to insure availability of adapted seeds free of pests and diseases. Exchanges and visits within the subregion will also help exploiting comparative advantages of each country in term of animal breeds. South Sudan will also benefit from scientific capacity from other countries in the subregion and outside with Brazil in the form of training, new equipment and knowledge sharing.
9. **Knowledge management and share of experiences.** In all the field of development outlined under the COSOP 2024 – 2029, a strong knowledge management initiative will be supported through SSTC initiatives. Knowledge sharing and dissemination mechanism will be developed with countries offering potential partnership and collaboration specifically on selected value chain. Countries with similar agroecological contexts in the sub regions are targets for these knowledge management initiatives. Strategies and approaches on youth issues, environment and climate change will be areas to learn and promote best practices. South Sudan specific fragility, conflict and post war context justify emphasis on these issues of experiences. Further these knowledge sharing can concern areas of projects management and policy coordination for development strategies.

IV. Conclusion

10. From the analysis during the consultation process and based on the above description, SSTC initiatives appears to play a key role in reaching the strategic objectives identified for the COSOP 2024 - 2029 for South Sudan. Beyond direct

planning of activities under regular investments on pipeline or ongoing, initiatives for co-financing for specific SSTC activities will be developed under the COSOP duration using opportunities under EAC and others bilateral cooperations. Line Ministries and Ministry of Foreign affairs will be thoroughly involved. Effective implementation of all foreseen areas of focus under the SSTC will be considered in the design of upcoming investments and will be also mainstreamed for improved project performance under ongoing investments or those under start-up process. Opportunities within IFAD (IFAD and China SSTC cooperation) and others UN Agencies like UNIDO, WTO will be explored.

Financial management issues summary

Financial management (FM). IFAD's experience in implementing projects in South Sudan to date is limited and it is too early to draw significant lessons on FM performance and risks. The current model whereby a common SPIU provides technical assistance to IFAD and other donor-funded projects is proving effective so far and if feasible should be retained until capacities have been sufficiently built up. Third parties have a key role in implementing the two projects IFAD has designed in South Sudan. This model may not be sustainable and appropriate in the long term given that it limits opportunities for building national capacities and it dilutes Government accountability. It also impacts the cost of doing business given high third- party entity fees and overheads. The use of national PFM systems is limited in donor-funded projects in South Sudan. The scope to increase country system usage will be assessed on a gradual basis during the COSOP period, depending on IFAD's experience of implementing existing projects, available diagnostics, and ongoing reforms.

COUNTRY	South Sudan	COSOP PERIOD	2024-2029
A. COUNTRY FM ANALYSIS			
<i>FM Inherent risk</i>	High		
<i>Country Disbursement Ratio (rolling-year)</i>	21.1 %		
<i>Unjustified Obligations:</i>			
<ul style="list-style-type: none"> • <i>Outstanding Ineligible Expenditure</i> • <i>Outstanding Advances (projects in closed status)</i> 	NA NA		
<i>PBAS Available allocation (current cycle) :</i>	Allocated Amount: USD 9,833,547		
<i>Lending terms (IFAD12)</i>	100% DSF		
<i>BRAM access</i>	No		
<i>Country income category</i>	LIC		
Governance			
According to Transparency International, the level of corruption in South Sudan is very high. TI data for 2022 places South Sudan CPI at 13 on a scale of 10 to 100 and ranks the country 178th out of 180 countries worldwide for perceived corruption.			
Public Financial Management (PFM)			
The only publicly available PEFA report, prepared by World Bank with GoSS, dates from 2013. It outlined achievements in PFM since the country gained independence in 2011:			
<ul style="list-style-type: none"> • Upstream planning and budgeting functions had improved, and the budget was being prepared with due regard to government policy. • An integrated financial management information system (IFMIS, also known by its commercial name, FreeBalance) has been established in eight spending agencies, but its role in controlling budget execution is limited. • The South Sudan Electronic Payroll System (SSEPS) and a human resource information system (HRIS) had been established resulting in a significantly reduced risk of salaries being paid when not due. 			

- A basis had been laid for the strengthening of tax administration as a result of the 2009 Taxation Act. Taxpayer education programs are expanding, taxpayer identification numbers (TIN) being introduced, and a tax audit function under development.
- Effective external audit and legislative oversight functions were beginning to develop. Since the appointment of a new auditor general in 2010, the Audit Chamber's effectiveness was improving significantly, although capacity constraints impose limits on the pace of strengthening.
- GoSS-donor interaction had been reasonable but could be strengthened. The recording by GRSS of planned and actual donor aid had improved significantly through the aid management information system installed in MOFP.

Major challenges to be addressed included:

- Low credibility of annual budgets due to weaknesses in the budget execution process
- Reporting and accounting, external audit, legislative oversight, and public access to information still in early stages of development.
- Lack of basic public finance management (PFM) law hindering budget execution, reporting, and accounting aspects of PFM.
- Constitutional and legal controls regarding changes to the approved budget not fully adhered to.
- Internal control systems governing PFM not well established and complied with. The internal audit function oriented toward the monitoring of internal control systems was still at early stages. The PFM systems were not functioning effectively, with a high potential for wasteful expenditure, diversion of funds, and corruption.

The PEFA advocated reform in the following key areas:

- Timely enactment of PFM law.
- Drafting of Procurement Bill.
- Strengthening in-year cash flow forecasting as a prerequisite for improving the in-year predictability of the budget and reducing the incidence of payment arrears.
- Improved cash flow forecasting would enable the introduction of monthly cash limits on expenditure.
- Enforcement of the procedures for petty cash by making accountability for the use of petty cash a condition for receiving the next tranche ("no accountabilities, no petty cash").
- Mandating spending agencies to disclose to MOFP their end-of-month cash balances and to submit monthly bank reconciliation reports and bank statements to MOFP, in support of improved cash management, reporting, and accounting. Obtaining this information is a necessary step toward implementing a treasury single account (TSA) system.
- IFMIS to be reconfigured fully for better use as budget execution system, rather than limited to reporting and accounting
- Improvements to the Financial and Accounting Procedures Ordinance.
- Procurement Bill to be drafted.
- A computerized tax administration system.
- Direct administration of oil revenues by MOFP.
- Establishment of a semi-autonomous Revenue Authority, as mandated in the new constitution.
- Change of financial year to July–June.
- Strengthening of the supreme audit institution, the Audit Chamber.

PFM reforms have been ongoing since the PEFA with extensive support of donor partners, but information on the status of their implementation is not yet publicly available.

Debt sustainability

The World Bank-IMF Debt Sustainability Analysis carried out in March 2021 confirmed that South Sudan is at high risk of debt distress.

External public debt was estimated at US\$1,355 million (41 percent of GDP) as of end-June 2020. Debt to the World Bank amounted to US\$79 million on IDA terms, while debt to the African Development Bank (AfDB) amounted to US\$28 million. US\$150 million had been borrowed from China Exim Bank to upgrade the Juba International Airport. Debt to the QNB amounted to US\$627 million. Oil-related short-term loans have declined significantly, from an estimated US\$338 million in March 2019 to US\$99 million in June 2020. In FY 2019/2020 around, 81 percent of total loans (46 percent: QNB loans; 35 percent: oil advances and Afreximbank loans are

highly non-concessional. South Sudan has not requested to participate in the Debt Service Suspension Initiative.

The total public debt as a share of GDP breaches its indicative threshold of 35 percent in FY2021/2022 and FY2022/2023 while it is expected to gradually decline below the threshold from FY2023/2024 onwards. Public sector debt is expected to decline afterwards reflecting the authorities' commitment to fiscal discipline. In particular, the PV of public-debt to-GDP ratio is expected to improve to around 37 percent, remain below the 35 percent threshold from FY2023/2024 onwards, and stabilize at around 25 percent in the medium-to-long term. Under the most extreme shock scenario, all debt indicators are expected to breach the threshold over the projection period by significant amount for some years.

World Bank staff assessed South Sudan's external and overall public debt to be sustainable, with a high risk of debt distress for both external and domestic public debt. This assessment is subject to uncertainties as it critically hinges on the authorities' commitments to continue avoiding oil advances, adopt prudent monetary and fiscal policies, and continue PFM reforms. The sustained implementation of these commitments would open access to concessional loans and significantly higher amounts of grants, as well as lead to a more resilient economy; all important determinants of future debt sustainability. With these commitments, all public external debt indicators are expected to be below the thresholds and the risk of external debt distress is expected to be moderate starting from FY2024/2025. Total public debt indicators in the medium term mainly reflect the total external debt indicators since the domestic debt level is low and projected to remain relatively low given the extremely limited depth of the domestic financial market in South Sudan.

Besides subdued oil prices, the risks include extended lockdown measures, deadlock in implementing sustainable peace, lack of political commitment to implement strong macroeconomic adjustment measures, suboptimal resource allocation, including insufficiently efficient public investment, and protracted rent seeking behaviour and corruption. These risks of prolonged fragility underscore the importance of a commitment to internal peace, economic reforms, and close cooperation with the international community.

B. PORTFOLIO – LESSONS {Strengths and Weaknesses}

Existing Portfolio:

Project	Project Status	%Disbursed of all financing instruments	Project FM inherent risk rating	Performance Score: Quality of Financial Management	Performance Score: Quality & Timeliness of Audit	Performance Score: Disbursement Rate	Performance Score: Counterpart funds	Completion date
SSLRP	Available for Disbursement	21.13	Moderate	Not Specified	Not Specified	Not Specified	Not Specified	29/06/2027
READ-GAFS	Not yet effective	N/A	Substantial	Not Specified	Not Specified	Not Specified	Not Specified	

FM Observations and Lessons to be considered during the COSOP period

The scope to draw clear lessons on financial management performance and risks in South Sudan projects is quite limited since IFAD-design projects are respectively in early stage of implementation (SSLRP) and not yet effective (READ). SSLRP is mainly implemented by a third party (VSF) under GoSS's overall accountability. The project entered into force in June 2021, however conditions precedent to withdrawal were only fulfilled in Q4 2022. Implementation support missions have been fielded, but the project has not yet been supervised or audited. FM performance and other fiduciary indicators will be assessed as part of the upcoming supervision mission in June 2023. Based on initial indications, SSLRP FM staff have required qualification and experience and quality of IFRs is reasonable. SSLRP is under the umbrella of an SPIU covering other donor-funded projects including World Bank, with appropriate internal controls in place for approving transactions. Some fundamental approval processes like signing of bank payments and withdrawal application approval are done by GoSS staff. VSF and UNDP are well-established organizations with strong internal controls.

SSLRP's first audit is due in December 2023. The project will be audited by the supreme audit institution in collaboration with a private audit firm. The first audit will be the basis for assessing the timeliness and quality of audit processes. The PCU and VSF staff prepare acceptable quality IFRs which are used as basis for disbursement. There is a risk of staff turnover at PCU level which would set the portfolio back, retention measures for staff performing well should be put in place to mitigate the risk. Strengthening capacities to measure in-kind contributions will be a determining factor in correctly assessing counterpart performance and reporting on IA and beneficiary contributions. Dedicated training will be provided in 2023.

READ, which is financed by GAFSP, is not yet operational. Like SSLRP, READ will mainly be implemented by a third-party entity (UNDP) through an MoU with GoSS.

As noted, IFAD-supported projects in South Sudan are mainly implemented by third party entities, albeit with the involvement of a PCU and under GoSS accountability. The process of consolidative budget preparation can be time consuming and cause delays in AWPB readiness. In SSLRP's case, the PCU and implementing agency (IA) use different ERP systems, and the same will apply to READ, which means that financial reporting has to be consolidated manually. Budget execution may vary in quality between the PCU and IA. There is a risk of budget implementation synchronisation differences between the PCU and IA which may alter the accuracy of the consolidated AWPB preparation, implementation, and variances. In future project design, budget harmonisation templates should be agreed upon early between for standardised AWPB consolidation and reporting.

The decision to give third party entities a key role in implementing the projects designed by IFAD in South Sudan was driven by limitations in national professional capacities. This model may not be sustainable and appropriate in the long term since it limits capacity building opportunities, and it dilutes Government accountability. It also impacts the cost of doing business given high third-party entity fees and overheads.

Use of Country Systems

Budget: project budgets are submitted to MOFP for inclusion into the national budget every year. MAFS is responsible for budget consolidation.

External Audit: Accountability for audit of IFAD projects is with the SAI, the South Sudan Audit Chamber (SSAC). SSAC outsources project audits to private audit firms, with its own staff participating in audit missions.

The potential for an increased use of PFM systems in South Sudan will be assessed on an ongoing basis during the COSOP period, based on IFAD's experience of implementing projects, and depending on available diagnostics and the status of ongoing reforms.

Procurement Risk Matrix – Part A Country Level

Indicator # and Sub-Indicator #	Sub-Indicator Description ²⁹	Findings regarding possible non-compliance with IFAD PPF	Inherent Risk of non-compliance with Project Objectives & IFAD PPF	Proposed Mitigation measure/s	Net Risk
Consolidated Findings at Country Level		[to be determined by the SPO]	[to be determined by the SPO]	[to be determined by the SPO]	[to be determined by the SPO]
Pillar 1. Legal, Regulatory and Policy Framework					
1.1.	The public procurement legal framework achieves the agreed principles and complies with applicable obligations.				
1.1.1.	Scope of application and coverage of the legal and regulatory framework	South Sudan lacks a functional Public Procurement framework. The Public Procurement law was enacted in 2018 but due to the crisis in the country, the Regulations and Standard procurement documents were not developed. Further still the public procurement and Assets Disposal Authority provided in the procurement law is yet to be established. The country still relies on the outdated interim Public Procurement regulation issued in 2006.	S	Use of IFAD's Public Procurement Guideline, Handbook and Standard Procurement Documents for all procurements undertaken by Government.	S
1.1.2.	Procurement methods	The Interim Regulations provide for competitive methods. In practice, the unpredictability of budgets, conflict and lack of clarity on the legal basis of the Regulations has rendered them non-functional. Limited procurement and	S	Use of IFAD's Public Procurement Guideline, Handbook and Standard Procurement Documents for all procurements undertaken by Government.	S
1.1.3.	Advertising rules and time limits				
1.1.4.	Rules on participation				
1.1.5.	Procurement documentation and specifications				
1.1.6.	Evaluation and award criteria				
1.1.7.	Submission, receipt and opening of tenders				
1.1.8.	Right to challenge and appeal				
1.1.9.	Contract management				

²⁹ The Indicators and Sub-Indicators are extracted from OECD-MAPS II of 2017 in order to harmonise with other MDBs and to save time and effort in conducting Part A assessments in case a recent MAPS II assessment has been conducted for the borrower's country system. The criteria to be applied in assessing each Sub-Indicator are those of OECD-MAPS II.

1.1.10.	Electronic Procurement (e-Procurement)	Direct Contracting have been the preferred method. This creates a significant risk that public services have been provided at higher cost than necessary.			
1.1.11.	Norms for safekeeping of records, documents and electronic data.				
1.1.12.	Public procurement principles in specialised legislation				
1.2.	Implementing regulations and tools support the legal framework				
1.2.1.	Implementing regulations to define processes and procedures conditions	Outdated interim Public Procurement regulation issued in 2006.	S	Technical assistance and implementation support are required to ensure compliance with IFAD procurement guidelines.	S
1.2.2.	Model procurement documents for goods, works and services	Do not exist.	S	Use IFAD SBDs.	S
1.2.3.	Standard contract	Do not exist.	S	Use IFAD SBDs.	S
1.2.4.	User's guide or manual for procuring entities (insert link to manual if possible)	Do not exist.	S	Use IFAD Handbook.	S
1.3.	The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations				
1.3.1.	Sustainable Public Procurement (SPP)	In absence of functional regulations, the three pillars of sustainable development cannot be assessed adequately: economic development, social development, and environmental protection. However, terms of contract adopted by existing projects rely on IFAD SPDs.	S	Use of IFAD SPD provisions on prohibited practices and SECAP requirements.	S
1.3.2.	Obligations deriving from international agreement	The country is a member of regional bodies EAC, IGAD, COMESA. It is discernable that it adheres to the international obligations.	L		L
1.4. Consolidated findings for Pillar 1.		The interim Public Procurement Regulation issued	S	Use of IFAD's Public Procurement	S

		in 2006 is outdated and non-functional. There are no SPDs.		Guideline, Handbook and Standard Procurement Documents for all procurements undertaken by Government. Technical assistance and implementation support are required to ensure compliance with IFAD procurement guidelines.	
Pillar 2. Institutional Framework and Management Capacity					
2.1.	The public procurement system is mainstreamed and well-integrated with the public financial management system.				
2.1.1.	Procurement planning and the budget cycle	Unpredictability of the budget hinders planning for procurement.	S	IFAD Financing Agreements define budgeting cycles.	S
2.1.2.	Financial procedures and the procurement cycle				
2.2.	The country has an institution in charge of the normative/regulatory function				
2.2.1.	Status and legal basis of the normative/regulatory institution function	Ministry of Finance and Economic Planning (MoFEP) does not enforce the provisions under the Interim Procurement and Property Disposal Regulations, in particular the provision that competitive procurement methods are the preferred option.	S	Procurement arrangements for procurement programmes to incorporate competitive market approaches in the Project Procurement Strategy (PPS).	S
2.2.2.	Responsibilities of the normative/regulatory function				
2.2.3.	Organisation, funding, staffing, and level of independence and authority	The Regulatory function is not staffed or funded.	S	IFAD to adopt closer Procurement supervision and enforced prior reviews of activities in the OPEN system as deemed necessary.	S
2.2.4.	Avoiding conflict of interest	There is an Anticorruption Law of 2009, but no accompanying capacity, resources, and political will for effective implementation.	S	Use of IFAD Procurement guidelines, principles and declarations of impartiality when processing procurement activities. There is need	S

				to create awareness among stakeholders on the effects of fraud and corruption.	
2.3.	Procuring entities and their mandates are clearly defined.				
2.3.1.	Definition, responsibilities and formal powers of procuring entities	The Interim Procurement Regulations Define Procuring Entities.	L		L
2.3.2.	Centralised procurement body	Do not exist.	S	IFAD to adopt closer Procurement Supervision and enforced prior reviews of activities in the OPEN system as deemed necessary.	S
2.4.	Public procurement is embedded in an effective information system				
2.4.1.	Publication of public procurement information supported by information technology	The government lacks a system to generate substantial and reliable coverage of key procurement information or does not systematically make key procurement information available to the public. Publicizing of tendering opportunities is done. Public procurement plans, contract awards, and decisions on complaints are not publicized.	S	The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site. Publish contract awards in the same platforms they are advertised.	S
2.4.2.	Use of e-Procurement	No in use.	S		S
2.4.3.	Strategies to manage procurement data	Absent.	S	Use of IFAD end-to-end procurement system OPEN to enhance project procurement data collection and analysis.	S
2.5.	The public procurement system has a strong capacity to develop and improve				
2.5.1.	Training, advice and assistance	There are no curricula for training in public procurement.	S	Training in BUILDPROC and other procurement certifications.	S

				Requirements for TOR for project procurement staff.	
2.5.2.	Recognition of procurement as a profession	In practice, the function is recognized as a profession with terms of reference for project procurement personnel.	M	Training in BUILDPROC and other procurement certifications. Requirements for TOR for project procurement staff.	M
2.5.3.	Monitoring performance to improve the system	No system in place.	S	IFAD to adopt closer Procurement Supervision and enforced prior reviews of activities in the OPEN system as deemed necessary.	S
2.6. Consolidated findings for Pillar 2.		Unpredictability of the budget hinders planning for procurement. The government lacks a system to generate substantial and reliable coverage of key procurement information or does not systematically make key procurement information available to the public. There are no curricula for training in public procurement, or system to monitor and improve public procurement.	S	IFAD Financing covenants will define the budgeting and disbursement cycles. Use of IFAD Procurement guidelines, principles and declarations of impartiality when processing procurement activities. There is need to create awareness among stakeholders on the effects of fraud and corruption. The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site. Publish contract awards in the same platforms they are advertised. All project procurement staff are to be provided with a TOR and trained in BUILDPROC.	S

				Procurement arrangements for procurement programmes to incorporate competitive market approaches in the Project Procurement Strategy (PPS). IFAD to adopt closer Procurement Supervision and enforced prior reviews of activities in the OPEN system as deemed necessary. Use of IFAD end-to-end procurement system OPEN to enhance project procurement data collection and analysis.	
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Pillar 3. Public Procurement Operations and Market Practices

3.1.	Public procurement practices achieve stated objectives				
3.1.1.	Procurement Planning	There is limited market research to guide proactive identification of procurement strategies and requirements are often poorly defined and reliant on descriptions in proforma invoices from suppliers.	S	Use of technical expertise in needs analysis, defining requirements and packaging procurements.	S
3.1.2.	Selection and contracting	IFAD SPDs and accompanying provisions are in use for contracts. Processing of awards is done, though there have been instances where the prescribed procurement methods have not been adhered to. Contract awards are not announced.	S	Procurement arrangements have included use of Third-Party Implementing Agencies like VSF-Germany and UNDP. There is need to continue with such arrangements and IAs be identified competitively.	S
3.1.3.	Contract management in practice	MAFS procurement has been dormant over the 5-year	S	Such arrangements to be augmented	S

		conflict period and no documents have been produced. Contract Management practices are unfamiliar to project teams and they have had difficulty in processing contract amendments where necessary.		with training in contract management practices.	
3.2.	The public procurement market is fully functional				
3.2.1.	Dialogue and partnerships between public and private sector	The recent conflicts and insecurities have disrupted the country's existing business operations, forcing firms to either temporarily suspend operations, permanently close business, or in some cases, relocate their operations to outside the country. Business operations have become more difficult for lack of official foreign exchange and rising inflationary trends that severely increase trading costs.	S	International/ Regional firms be permitted to participate in National Competitive Bidding (NCB) opportunities so long as they meet all conditions. NCB to be advertised in online portals for ease of access. IFAD's OPEN procurement system	S
3.2.2.	Private sector's organisation and access to the public procurement market				
3.2.3.	Key sectors and sector strategies				
3.3. Consolidated findings for Pillar 3.		Procurement planning is neither optimal nor informed by market research. There has been absence of public procurement records in the recent past the project teams have demonstrated significant gaps in contract management practices. Proactive engagement with private sector is limited and market views	S	Engagement of Third-party IAs be identified competitively. Such arrangements to be augmented with training in contract management practices. International/ Regional firms be permitted to participate in National Competitive Bidding (NCB) opportunities so long as they meet all conditions.	S

		most opportunities as exploitable.		NCB to be advertised in online portals for ease of access.	
Pillar 4. Accountability, Integrity and Transparency of the Public Procurement System					
4.1.	Transparency and civil society engagement strengthen integrity in public procurement				
4.1.1.	Enabling environment for public consultation and monitoring	There have been no changes in the public procurement system and neither are there any engagements with Civil Society.	S	Contract award information to be published in the same platforms where the opportunities are advertised for ease of access by the public.	S
4.1.2.	Adequate and timely access to information by the public	Public procurement information is not readily available.	S	Publication of procurement information in MAFS website.	S
4.1.3.	Direct engagement of civil society	There is no evidence of direct participation of citizens through consultation, observation, monitoring.	S	Contract award information to be published in the same platforms where the opportunities are advertised for ease of access by the public.	S
4.2.	The country has effective control and audit systems				
4.2.1.	Legal framework, organisation and procedures of the control system	There is a South Sudan National Audit Chamber headed by an Auditor General. There is no evidence of Internal Audit in MAFS.	M	Project audits should to be undertaken periodically and consistently by third party providers sourced competitively.	M
4.2.2.	Co-ordination of controls and audits of public procurement	The Auditor General has not consistently produced audit reports.	S	Project audits undertaken as required by financing covenants.	S
4.2.3.	Enforcement and follow-up on findings and recommendations	In the absence of consistent reports, there have not been recommendations for follow-up.	S	Supervision Missions to make follow up on actions from Audit report recommendations.	S
4.2.4.	Qualification and training to conduct procurement audits	There is no established programme to train internal and external auditors to ensure that they are qualified	S	Require that auditors have adequate knowledge of public procurement as a condition	S

		to conduct high-quality procurement audits.		for carrying out procurement audits.	
4.3.	Procurement appeals mechanisms are effective and efficient				
4.3.1.	Process for challenges and appeals	Articles 56 and 57 of the Interim Public Procurement and Disposal Regulations (IPDDR) provide for a mechanism for submitting complaints. In the case of a dispute arising between the parties to a procurement contract, the Law of Southern Sudan is applied. The uncertainty of the interim law deems it unreliable and especially considering it has not been enforced.	S	Use of IFAD Handbook for guidance on processes for challenges and appeals.	S
4.3.2.	Independence and capacity of the appeals body				
4.3.3.	Decisions of the appeals body				
4.4.	The country has ethics and anti-corruption measures in place				
4.4.1.	Legal definition of prohibited practices, conflicts of interest, and associated responsibilities, accountability and penalties	South Sudan is the 178 most corrupt nation out of 180 countries, according to the 2022 Corruption Perceptions Index reported by Transparency International. Since independence in 2011, the country has taken steps to promote transparency and accountability to fight corruption, South Sudan's anti-corruption framework is still in its infancy. Where legal instruments exist, lack of capacity, resources and political will often hamper effective implementation.	H	Use of IFAD prohibited practices provisions in SBDs along the whole procurement cycle.	H
4.4.2.	Provisions on prohibited practices in procurement documents				
4.4.3.	Effective sanctions and enforcement systems				
4.4.4.	Anti-corruption framework and integrity training				
4.4.5.	Stakeholder support to strengthen integrity in procurement				
4.4.6.	Secure mechanisms for reporting prohibited practices or unethical behaviour				
4.4.7.	Codes of conduct/codes of ethics and financial disclosure rule				
4.5. Consolidated findings for Pillar 4		There is no established programme to train internal and external auditors to ensure that they are qualified	S	Project audits undertaken as required by financing covenants. Require that auditors have	S

	to conduct high-quality procurement audits. The appeals mechanism is uncertain. There is no evidence of anti-corruption measures in place.		adequate knowledge of public procurement as a condition for carrying out procurement audits. Use of IFAD Handbook for guidance on processes for challenges and appeals. Use of IFAD prohibited practices provisions in SBDs along the whole procurement cycle.	
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Integrated Country Risk Matrix

Risk Type	Inherent Risk	Residual Risks	Mitigation measures
<p>Governance</p> <ul style="list-style-type: none"> - The Transitional Government will end in 2023 with elections due in 2024. Any potential conflict may impact on the Peace Agreement, and ongoing State Building and sustainable development efforts. - If the new Government of National Unity does not focus on rebuilding livelihoods for the massive numbers of returnees and internally displaced persons (IDPs), the peace deal may fail, and conflict may resume. The decentralisation policy is not yet fully implemented and may impact on the coordination between the Central and Decentralised government. 	High	High	<ul style="list-style-type: none"> - The ICO is developing a business continuity plan that sets out the roles and responsibilities of Ministry of Finance, Ministry of Agriculture, Implementing Agency and beneficiary communities in the event of renewed conflict in South Sudan. Measures include community shock preparedness protocols; (continuation) in provision of project services, cash, and asset management as well as resilience and recovery protocols. - Close monitoring of the national situation by IFAD country team and the newly opened office will ensure adequate follow up. - UN community (UNMSS, UNDSS) will ensure close monitoring and support to government for effective implementation of peace agreement
<p>Macro-economic</p> <ul style="list-style-type: none"> - According to the IMF, the outlook of the country remains extremely difficult, with continuing threats to macroeconomic and financial stability, declining income due to low oil prices, resulting in deteriorating humanitarian conditions. - In addition, the South Sudanese Pound (SSP) is facing high inflation, resulting in volatility of exchange rate and a thriving black market. The discrepancy between official exchange rate and the black market may distort the profitability analysis of the project in the EFA. - Capacity and system deficits in public sector institutions, revenue and expenditure systems, legal frameworks, accountability frameworks and systems for provision of services to citizens would negatively impact the effective implementation of the COSOP. South Sudan has a Public Financial Management and Accountability Act that guides the public financial management architecture. However, there are no established standards governing preparation of financial statements or verification of corporate financial reporting. 	High	High	<ul style="list-style-type: none"> - IFAD's allocation to South Sudan is under DSF terms i.e., 80% grant and a 20 % loan at highly concessional terms, with a grace period of 10 years, which will enable GoSS to recover before repayments are required. - The COSOP implementation will use a third-Party system involving international NGO and UN Agencies. The projects will work with the decentralised Government systems, and strengthen the County Development Committees (CDCs), and the Payam Development Committees (PDCs). - The IA will be expected to possess an equivalent or superior framework to IFAD's Project Procurement Guidelines, Procurement Handbook, and standard procurement documents (SPDs) - IFAD will dialogue with the IFI (IMF, WB, AfDB) and Development Partner representatives in the ongoing Public Financial Management (PFM) reforms working group which is working to strengthen financial governance future donor projects.
<p>Fragility and security</p> <ul style="list-style-type: none"> - Historical, political, social, and economic marginalization has resulted in tensions due to ethnic divisions, corruption, and power struggles. This has resulted in outbreaks of conflict, the breakdown of governance structures and law and order, and disruption of community institutions that support livelihoods. There is also on-going 	High	High	<ul style="list-style-type: none"> - The conflict/fragility assessment will present the fragility profile in respect to drivers of conflict, political economy, ethnic tensions, and conflict over natural resources. Based on these assessments and in partnership with development partners competent in community conflict resolution approaches, power sharing modalities as well as community-based tribunals (absence of GoSS structures for rule

<p>inter-community conflict due to competition for natural resources.</p> <ul style="list-style-type: none"> - The country is vulnerable to Desert locust phenomenon which may be devastating food and nutrition security across East Africa. 			<p>of law) IFAD investments will be focused on conflict prevention/protection/ risk reduction on one hand and on recovery/rehabilitation and restoration in the other. Adaptive and modular program deliver will be deployed in "relatively stable zones" as well as in "recovery zones.</p> <ul style="list-style-type: none"> - The COSOP will integrate adaptive programming with scenario based planning and modular implementation. - Provide information on conflict analysis. - Emergency support mechanism under investments emergency response. - Provision of employment opportunities for the youth, which may dissuade them from engaging in conflict activities. - Missions will ensure full compliance with Minimum Operational Security Standards (MOSS) & partnership with other IFIs and/or UN agencies for implementation. - GoSS has strengthened its response to disasters and shocks in general through support from Development Partners. This can always be strengthened, but experiences IFAD has gained in other countries such as Mozambique supporting community disaster responses will be replicated, as well as use of drones and best practices gained from recent locust outbreak in East Africa (destroying nests, use of locust as cattle feed, etc).
<p>Sector Strategies Risk:</p> <ul style="list-style-type: none"> - While the foundational policy framework for agriculture development exists and aligns well with IFAD's Strategic Framework and priority areas, there is a need to revise these frameworks to ensure full alignment with the emergent focus on a stronger role for the agriculture sector to support economic diversification. - High-level development frameworks are in place but specific policies, laws and regulations necessary to guide day-to-day public service delivery in the agriculture sector are still in the early stages of development. 	Substantial	Substantial	<ul style="list-style-type: none"> - The COSOP is giving high attention to policy support. - Ongoing projects are supporting the development of the Cooperative Development Policy Framework and the Rural and Agriculture Finance Policy under - Capacity needs assessment will be carried out to inform capacity development interventions and the provision of specialised technical assistance. - In addition, the standards, procedures and guidelines for the delivery of public services will need to be approved and agreed by local, regional and national government. The MoA of SoSS is ready to lead on this process.
<p>Environmental, Social and Climate Context Risk:</p> <ul style="list-style-type: none"> - Activities under COSOP, such as construction and/or rehabilitation of water infrastructures, rehabilitation/upgrading/construction of roads, construction of processing and storage facilities and expansion of agricultural land may have a potential impact on biodiversity, 	Substantial	Substantial	<ul style="list-style-type: none"> - In line with IFAD's SECAP 2021; all investment will be screened against their environmental, social and climate impacts and depending on the categorization/classification, relevant assessments such as ESCMF, ESCMP, RAF/RAP CRA etc will be prepared and implemented accordingly. These assessments will identify the adverse impacts and equivalent mitigation.

<p>labour and working conditions, community health and safety, lead to increased pollution, inefficient use of resources, and/or physical and economic resettlement.</p> <ul style="list-style-type: none"> - Construction activities may lead to conversion and/or loss of physical cultural resources. - Patriarchal norms may prevent women from participating and benefitting from COSOP investments. - The country is the most vulnerable to climate impacts such as drought and flooding and has been experiencing consecutive flooding since the last couple of years. This in turn will affect implementation of IFAD's programmes as well as target groups. 			<ul style="list-style-type: none"> - Capacity development to government and non-government bodies engaged in the design and implementation of investments under the COSOP. - All projects envisage a SECAP experts as part of IA teams. In addition, infrastructure investments will be certified Climate smart with specific resilience to floods as has been witnessed in Malawi (Cyclone Freddy). - GoSS is still in the process of documenting all its cultural heritage (very rich and under documented) so where new assets are found IFAD projects under COSOP period will support documentation efforts.
<p>Financial management</p> <p>The country's political environment remains fragile. There are weaknesses in overall governance environment, involving lack of transparency and accountability over use of public funds and weak oversight. There is weak PFM systems including weaknesses in planning and budgeting, budget execution, internal controls and accounting systems.</p>	High	High	<ul style="list-style-type: none"> - Financial and organizational capacity exists in South Sudan in the international civil society community and arrangements for Technical Assistance should be put in place to ensure that these capacities are built over time at community, district council and national ministerial level. In fact, the joint implementation unit facilitated in collaboration with WB and AFDB is cognizant of the need for capacity building. The WB has currently implementing the Public Financial Management and Institutional Strengthening Project, which aims to improve the PFM capacity.
<p>Organization and staffing</p> <p>Lack of national professional capacity to carry out program activities due to low manpower availability. There is a risk of underdeveloped local professional capacity, leading to high costs in the implementation of program activities, and inefficiency in addressing the actual project objectives in meeting the country's suitable results for development.</p>	Substantial	Substantial	<ul style="list-style-type: none"> - Put in place citizens capacity building development system to upgrade local citizens capacity to implement donors' programs projects to meet their own development.
<p>Budgeting</p> <p>There is a weak PFM system, including weaknesses in planning, budget monitoring and execution. Weak capacity to prepare timely and reliable budgets may result delays in budget approval and implementation of activities.</p>	Substantial	Substantial	<ul style="list-style-type: none"> - Capacity building for the project staff and strengthening the budget planning and monitoring systems, including effective accounting system with the budget module and harmonised budget templates between the PCU and IAs for standardise AWPB and implementation for easy consolidation. - Technical assistance to introduce basic concepts and tools for basic budget literacy.
<p>Fund Flow / Disbursement arrangements</p> <p>Risk of funds being disbursed with delays due to cumbersome treasury arrangements, lack of knowledge about the disbursement procedures, or lack of capacity of project implementing partners.</p>	Substantial	Substantial	<ul style="list-style-type: none"> - Project and Implementing Partners to open required designated and operating accounts at the start of the project. - Disbursement and flow of funds arrangements to be detailed in the PIM for clear guidance to avoid any delays in disbursements. - Delivery of a capacity building training at start-up about the disbursement procedures and IFRs.

<p>Country internal controls</p> <p>Lack of capacity, internal control weaknesses, and gaps in internal audit arrangements that may affect the implementation of the project and lead to misuse of funds.</p> <p>Lack of control over the implementing agencies' internal control system, which may lead to misuse of funds and loss of assets.</p>	High	High	<ul style="list-style-type: none"> - Technical Assistance should be provided to GoSS to adopt effective FM systems in the ongoing public sector reform process. - An FM assessment to be performed on implementing partners to ensure that there are adequate internal control arrangements in place. - The projects that will be implemented under the COSOP to be included in the internal audit of the ministry.
<p>Accounting and financial reporting</p> <p>The risk that the accounting software is not suitable for project wise accounting and financial reports are being prepared manually, which is prone to errors.</p> <p>The risk that financial accounting data is incomplete and unreliable. And that financial reporting does not meet international standards and prone to misrepresentation, fraud and errors.</p>	Substantial	Substantial	<ul style="list-style-type: none"> - Procurement of a stand-alone accounting software, which is suitable for project wise accounting, financial reporting and budgeting. - Development of detailed accounting policies and standards.
<p>External audit</p> <p>The risk that the National Audit Chamber (SAI) of the GoSS does not have the capacity to conduct project audits;</p> <p>The risk of late submission of audit reports;</p> <p>The risk of inadequate external audit scope.</p>	High	High	<ul style="list-style-type: none"> - Capacity assessment on SAI to be performed at design. If, there is a lack of capacity, a private audit firm to be contracted. - The government to strengthen the oversight capacity of the National Audit Chamber. - Early engagement with the auditors to ensure timely submission of audit reports. - Audit TORs to be prepared based on donor requirements, international standards and project specifics to allow greater assurance. - Audit exit meetings to be held to discuss issues and way forward to improve the quality of the audits and financial statements.
<p>Procurement issues</p>	Substantial	Substantial	
<p>Pillar I. Legal, regulatory and policy framework</p>	Substantial	Substantial	<ul style="list-style-type: none"> - Use of IFAD's Public Procurement Guideline, Handbook and Standard Procurement Documents for all procurements undertaken by Government. Technical assistance and implementation support are required to ensure compliance with IFAD procurement guidelines.
<p>Pillar II. Institutional framework and management capacity</p>	Substantial	Substantial	<ul style="list-style-type: none"> - IFAD Financing covenants will define the budgeting and disbursement cycles. Use of IFAD Procurement guidelines, principles and declarations of impartiality when processing procurement activities. There is need to create awareness among stakeholders on the effects of fraud and corruption. The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site. Publish contract awards in the same platforms they are advertised. All project procurement staff are to be provided with a TOR and trained in BUILDPROC. Procurement arrangements for procurement programmes to incorporate competitive market approaches in the Project Procurement Strategy

			(PPS). IFAD to adopt closer Procurement Supervision and enforced prior reviews of activities in the OPEN system as deemed necessary. Use of IFAD end-to-end procurement system OPEN to enhance project procurement data collection and analysis.
Pillar III. Public procurement operations and market practices	Substantial	Substantial	- Engagement of Third-party IAs be identified competitively. Such arrangements to be augmented with training in contract management practices. International/ Regional firms be permitted to participate in National Competitive Bidding (NCB) opportunities so long as they meet all conditions. NCB to be advertised in online portals for ease of access.
Pillar IV. Accountability, integrity, and transparency of the public procurement system	Substantial	Substantial	- Project audits undertaken as required by financing covenants. Require that auditors have adequate knowledge of public procurement as a condition for carrying out procurement audits. Use of IFAD Handbook for guidance on processes for challenges and appeals. Use of IFAD prohibited practices provisions in SBDs along the whole procurement cycle.