

Document: EB 2021/132/R.25/Rev.1  
Agenda: 15(a)(ii)(a)  
Date: 8 May 2021  
Distribution: Public  
Original: English

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## **President's report**

### **Proposed Loan and Debt Sustainability Framework Grant**

#### **Republic of South Sudan**

#### **South Sudan Livelihoods Resilience Programme**

Project ID: 2000002869

#### **Note to Executive Board representatives**

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Executive Board — 132<sup>nd</sup> Session  
Rome, 19-21 April 2021

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**For: Approval**

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### Programme delivery team

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## **Abbreviations and acronyms**

AfDB	African Development Bank
CBO	community-based organization
CDD	community-driven development
CDP	community development plan
FM	financial management
IA	implementing agency
M&E	monitoring and evaluation
MAFS	Ministry of Agriculture and Food Security
PCU	programme coordination unit
SSLRP	South Sudan Livelihoods Resilience Programme

## Map of the programme area



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.  
Map compiled by IFAD | 01-07-2020

## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower/recipient:</b>	Government of South Sudan
<b>Executing agency:</b>	Ministry of Agriculture and Food Security
<b>Total programme cost:</b>	US\$17.93 million
<b>Amount of IFAD loan:</b>	US\$1.90 million
<b>Terms of IFAD loan:</b>	Highly concessional
<b>Amount of IFAD Debt Sustainability Framework grant:</b>	US\$7.9 million
<b>Cofinancier:</b>	African Development Bank (AfDB)
<b>Amount of cofinancing:</b>	US\$5.67 million
<b>Terms of cofinancing:</b>	AfDB will fund, on a parallel basis, through the Agricultural Markets, Value Addition and Trade Development Project (AMVAT) in Kajo Keji, Terekeka, Magwi, Torit and Bor counties
<b>Contribution of borrower/recipient:</b>	US\$1.6 million
<b>Contribution of beneficiaries:</b>	US\$0.86 million
<b>Amount of IFAD climate finance:</b>	US\$4.06 million
<b>Cooperating institution:</b>	IFAD

## Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 57.

### I. Context

#### A. National context and rationale for IFAD involvement

##### National context

1. The Republic of South Sudan (hereafter South Sudan) is a landlocked, resource-rich country in East Africa and the youngest nation in the African continent. It remains the third-most-fragile state in the world due to a long conflict driven by historical, political, social and economic marginalization. This led to a breakdown of governance, law and order, and disruption of community institutions that supported livelihoods. A new peace deal signed in September 2018 and a Unity Government formed in February 2020 represent an important transition from conflict towards stability and economic recovery.
2. The population is 12.3 million, with 85 per cent living in rural areas and engaged in agriculture. Gross domestic product growth has been negative for five of the past seven years due to conflict, economic shocks around oil prices and debt monetization. COVID-19 and climatic factors are expected to have a negative impact on the country's economic outlook, with growth projected to decline to -3.2 per cent in 2021.<sup>1</sup>
3. With a human development index of 0.433 in 2019, South Sudan is categorized as being in the low human development category. The agriculture sector's full potential has not been realized due to prolonged instability. Poverty and food insecurity remain challenges, with over 80 per cent of the population living below the poverty line and about 60 per cent in a state of food crisis.

##### Special aspects relating to IFAD's corporate mainstreaming priorities

4. In line with the mainstreaming commitments of the Eleventh Replenishment of IFAD's Resources (IFAD11), the programme has been validated as:
  - Including climate finance;
  - Nutrition-sensitive;
  - Youth-sensitive.
5. The South Sudan Livelihoods Resilience Programme (SSLRP) will devote significant resources to addressing climate vulnerability, social inclusion and the empowerment of women and youth through farm and off-farm, community-run, agriculture-based enterprises that will improve their livelihoods and resilience.

##### Rationale for IFAD involvement

6. The 2018 Peace Agreement has prompted the return of displaced populations, with the bulk settling in the country's Equatoria states. The returnees have limited physical and financial assets and weak public and private service support. Irrigation and water-harvesting technologies are inadequate, with poor post-harvest and value addition facilities. Localized inter-community conflict is driven by competition for natural resources, adverse weather conditions and flooding. There is potential for a humanitarian crisis if the returnees and the general population are not integrated into the economy.
7. IFAD's engagement is guided by the Special Programme for Countries with Fragile Situations: Operationalizing IFAD's Fragility Strategy, with a focus on bridging the gap between humanitarian and development assistance, and supporting agriculture

<sup>1</sup> <https://www.worldbank.org/en/publication/global-economic-prospects> (June 2020).

recovery and income stabilization. Through the community-driven development (CDD) approach, SSLRP will support the rural population in developing viable livelihood opportunities. SSLRP adopts a “facilitated” approach so that the CDD interventions integrate IFAD11 mainstreaming themes within a conflict-sensitive lens. SSLRP will complement the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan, which commits to restoring economic foundations by generating employment and improving livelihoods.

## **B. Lessons learned**

8. Main lessons learned from the last IFAD-supported project in South Sudan, from other countries and from similar projects financed by the Government of South Sudan or its development partners include:
  - (i) CDD projects are effective in post-conflict contexts, in rehabilitating infrastructure and in providing livelihoods and employment benefits to rural communities.
  - (ii) Third-party implementation arrangements with the involvement of government are suitable in fragile contexts where institutional and human capacities, and systems are limited.
  - (iii) Front-loading of infrastructure is critical for beneficiaries to pilot their use, identify and solve associated challenges and put mechanisms in place for its sustainable operation and maintenance.<sup>2</sup>
  - (iv) The location of community assets and infrastructures requires the full participation of beneficiaries, involving community leaders in mitigating potential conflict and increase viability of investments.<sup>3</sup>
  - (v) Women play a critical role in addressing household food security and nutrition goals.

## **II. Programme description**

### **A. Objectives, geographical area of intervention and target groups**

9. **Programme goal and objectives.** SSLRP’s goal is to contribute to improved and resilient livelihoods among the targeted rural communities. The programme development objective (PDO) is to empower communities to participate in decision-making processes that will recover agriculture livelihoods, build household resilience and promote stability.
10. **Intervention area and geographic targeting criteria.** SSLRP will be implemented in three states and five counties: Eastern Equatoria (Magwi and Torit); Central Equatoria (Kajo Keji and Terekeka) and Jonglei (Bor). Targeting is guided by: food production corridors; high numbers of returnees; potential to build on previous IFAD investments and other development partners; and stability, accessibility and low risk of future conflict.
11. **Target group.** SSLRP will directly target 38,800 households. The primary target group consists of poor, food-insecure, small-scale producers engaged in fishing, cropping, and livestock production. There will be special emphasis on youth inclusion (70 per cent), women (60 per cent) and vulnerable groups (women-headed households, returnees and persons with disabilities), who will receive specific attention to facilitate their integration into agricultural production and economic activities.

<sup>2</sup> IFAD-supported Hilly Areas Sustainable Agriculture Development Project in Lebanon; project completion report (2019).

<sup>3</sup> Ibid.

12. **Targeting strategy.** Direct targeting will be used to ensure social inclusion of women, youth and vulnerable groups through quotas. Self-targeting will ensure that interventions respond to the needs and priorities of the target groups; for this purpose, communication and awareness campaigns will be undertaken.

## **B. Components, outcomes and activities**

13. SSLRP's PDO will be achieved through the effective implementation of three technical components, while a further component on disaster risk reduction and management (component 0) will provide timely support in emerging crises. Triggers for this component will include the declaration of an emergency situation by the Government and other competent authorities, including United Nations agencies.
14. **Component 1: Community-driven development planning.** Objectives are to: (i) build strong and inclusive community-based organizations (CBOs) to serve as promoters and managers of socioeconomic change; (ii) work with CBOs to develop climate- and gender-responsive community development plans (CDPs) that respond to market demand; and (iii) finance strategic productive investments to enhance the effectiveness of the CDPs.
15. **Component 2: Agriculture production and rural livelihood support.** This component will finance approved CDPs developed under component 1, and strategic investments identified through the county profiles and the CDPs. Potential activities to be financed include: (i) labour-intensive community civil works; (ii) increased household agriculture productivity; (iii) off-farm income generation activities; (iv) strategic infrastructure for increased market linkages; and (v) skills enhancement for youth to provide agriculture advisory services.
16. **Component 3: Programme support and capacity-building.** This component will support: (i) collaboration with partners (including AfDB and the Food and Agriculture Organization of the United Nations [FAO]) to establish a single programme coordination unit (PCU) in the Ministry of Agriculture and Food Security (MAFS); and (ii) addressing gaps identified in a needs assessment conducted by the International Labour Organization (ILO) and the European Union on the cooperative sector in South Sudan. The focus will be on the development of policies for cooperative development and rural finance; and augmenting capacities and systems in government to support the rural agricultural transformation agenda.

## **C. Theory of change**

17. In post-conflict situations, poor rural communities, including returnees, cannot achieve food security and have limited capacity to withstand shocks. Poor road infrastructure limits their access to markets and ability to diversify household food baskets.
18. The CDD approach will empower communities to identify and prioritize solutions that promote private and public investments in productive agricultural livelihoods. SSLRP will bridge the humanitarian-development gap, by opening up agricultural recovery opportunities that promote livelihood development, peace and stabilization.
19. By working to improve productivity, capacities and livelihood opportunities, SSLRP will contribute to poverty reduction and local economic development in the programme areas. Expected results include: diversified and increased consumption of nutrient-dense and climate-resilient agriculture products; climate-smart infrastructure; diversified enterprise opportunities in processing; and community cohesion and stability.

## **D. Alignment, ownership and partnerships**

20. SSLRP aligns with Sustainable Development Goals 1, 2, 5 and 6 and a number of IFAD policies, including IFAD's Strategic Framework. The latter aims to enable rural



households and communities to gain increasingly remunerative, sustainable and resilient livelihoods that help them permanently move out of poverty and food insecurity. The programme is informed by IFAD's Special Programme for Countries with Fragile Situations: Operationalizing IFAD's Fragility Strategy, which emphasizes strengthening communities and using food security as a primary entry point to tackle fragility- and conflict-related issues.

21. SSLRP is fully anchored in the Government's Comprehensive Agriculture Master Plan and its 2018 National Development Strategy, with the overarching objective of consolidating peace and stabilizing the economy. SSLRP also responds to the Government's Framework for Return, Reintegration and Relocation of Displaced Persons: Achieving Durable Solutions in South Sudan, which emphasizes special consideration for conflict-affected persons and provides for recovery and stabilization interventions for returnees.
22. **Harmonization and partnerships.** SSLRP has parallel cofinancing from the AfDB's AMVAT. Working in the same locations, AMVAT provides complementary services to the SSLRP's target beneficiaries through aggregation centres and markets. It also contributes to the establishment of a joint PCU. SSLRP will also coordinate with FAO, ILO and the World Bank to strengthen capacities and systems in the PCU in MAFS. On donor coordination, SSLRP responds to the priorities of the Partnership for Recovery and Resilience, and all the four priorities of the 2019-2022 United Nations Cooperation Framework.

#### **E. Costs, benefits and financing**

23. Total programme costs are US\$17.93 million over a six-year period. Components 1 and 2 contribute to IFAD climate financing, representing 41 per cent of financing (US\$4.06 million).

##### **Programme costs**

24. Table 1 summarizes component and subcomponent costs by financier.

Table 1

**Programme costs by component and subcomponent and financier**  
(Thousands of United States dollars)

Component/subcomponent	IFAD loan		IFAD grant		AfDB parallel		Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>0. Disaster risk reduction and management</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>1. CDD planning</b>												
1.1. Build strong and inclusive CBOs	286	10	1 145	38	1 332	44	245	8	-	-	3 009	17
1.2. Development of CDPs	217	13	867	54	530	33	-	-	-	-	1 614	9
Subtotal	503	11	2 013	44	1 862	40	245	5	-	-	4 623	26
<b>2. Agriculture production and rural livelihood support</b>												
2.1. Investments for increased climate-sensitive agriculture production and rural livelihoods	163	15	867	80	-	-	-	-	54	5	1 084	6
2.2. Community infrastructure to support production & marketing	767	12	2 263	36	1 282	21	1 124	18	807	13	6 243	35
Subtotal	930	13	3 130	43	1 282	18	1 124	15	861	12	7 327	41
<b>3. Programme support and capacity-building</b>												
3.1 Third-party implementation arrangements	157	6	1 223	46	1 174	45	86	3	-	-	2 641	15
3.2 Institutional capacity-building and policy support	310	9	1 534	46	1 348	40	145	4	-	-	3 336	198
Subtotal	467	8	2 758	46	2 522	42	231	4	-	-	5 977	33
<b>Total</b>	1 900	11	7 900	44	5 666	32	1 600	9	861	5	17 927	100

Table 2

**Programme costs by expenditure category and financier**  
(Thousands of United States dollars)

Expenditure category	IFAD loan		IFAD grant		AfDB parallel		Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Investment costs</b>												
A. Grants and subsidies	930	16	3 130	54	-	-	842	15	861	15	5 763	32
B. Vehicles	-	-	-	-	103	82	23	18	-	-	125	1
C. Goods, services and inputs	783	13	2 869	48	1 800	30	567	9	-	-	6 020	34
D. Consultancies	104	4	1 009	43	1 174	49	87	4	-	-	2 375	13
E. Training	25	4	100	17	396	68	58	10	-	-	579	3
<b>Total investment costs</b>	1 842	12	7 109	48	3 473	23	1 577	11	861	6	14 862	83
<b>Recurrent costs</b>												
A. Salaries and allowances	52	2	750	26	2 079	72	-	-	-	-	2 881	16
B. Operations and maintenance	7	4	41	22	114	62	22	12	-	-	185	1
<b>Total recurrent costs</b>	58	2	791	26	2 193	72	22	1	-	-	3 065	17
<b>Total</b>	1 900	11	7 900	44	5 666	32	1 600	9	861	5	17 927	100

Table 3

**Programme costs by component and subcomponent and programme year**

(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>PY1</i>	<i>PY2</i>	<i>PY3</i>	<i>PY4</i>	<i>PY5</i>	<i>PY6</i>	<i>Total</i>
<b>0. Disaster risk reduction and management</b>	-	-	-	-	-	-	-
<b>1. CDD planning</b>							
1.1 Build strong and inclusive CBOs	492	661	788	652	332	86	3 009
1.2 Development of CDPs	178	145	219	344	414	314	1 614
Subtotal	<b>670</b>	<b>806</b>	<b>1 007</b>	<b>996</b>	<b>746</b>	<b>400</b>	<b>4 623</b>
<b>2. Agriculture production and rural livelihood support</b>							
2.1 Investments for increased climate-sensitive agriculture production and rural livelihoods	6	62	132	252	318	314	1 084
2.2 Community infrastructure to support production and marketing	225	655	1 701	1 917	1 745	-	6 243
Subtotal	<b>231</b>	<b>717</b>	<b>1 833</b>	<b>2 169</b>	<b>2 063</b>	<b>314</b>	<b>7 327</b>
<b>3. Programme support and capacity-building</b>							
3.1 Third-party implementation arrangements	1 462	313	269	209	225	165	2 641
3.2 Institutional capacity-building and policy support	691	754	538	552	540	261	3 336
Subtotal	<b>2 153</b>	<b>1 066</b>	<b>807</b>	<b>760</b>	<b>764</b>	<b>426</b>	<b>5 977</b>
<b>Total</b>	<b>3 054</b>	<b>2 589</b>	<b>3 647</b>	<b>3 925</b>	<b>3 573</b>	<b>1 139</b>	<b>17 927</b>

**Financing and cofinancing strategy and plan**

25. IFAD will provide US\$9.8 million from IFAD11. Under IFAD's new Debt Sustainability Framework, South Sudan is eligible to receive 80 per cent of this amount as a grant, and 20 per cent as an optional loan on highly concessional terms.
26. US\$5.67 million is parallel cofinancing from the AfDB's AMVAT project for investments in Eastern Equatorial and Jonglei states, and in the joint PCU in MAFS. A programme-level memorandum of understanding (MoU) will be signed to actualize the parallel cofinancing.
27. Domestic cofinancing constitutes 14 per cent of total costs, including the Government's contribution (9 per cent) in the form of tax reimbursements and beneficiary in-kind contribution (5 per cent).

**Disbursement**

28. The main categories include grants and subsidies and goods inputs and materials. Funds will be disbursed via the revolving account mechanism for the implementing agency (IA) and PCU. The use of direct payments will be used as much as possible, in line with IFAD guidelines. The IA will maintain a designated United States dollar account to receive funds, and an operating account in South Sudanese pounds (SSP). Partner NGOs will operate separate local currency accounts. MAFS will maintain a bank account for their funds.
29. Funds held in the SSP-denominated bank accounts will be reviewed periodically, minimizing the amounts held to mitigate against devaluation due to a volatile exchange rate. The IA will maintain the full accounting system except for subcomponent 3.2, which MAFS will manage, while also accounting for the funds disbursed. The IA and the PCU will run computerized accounting systems providing for easy consolidation of the data.

**Summary of benefits and economic analysis**

30. The economic analysis shows a positive economic rate of return of 24 per cent and net present value of US\$32.2 million, which justifies the investment given that the social discount rate is 6 per cent. The main expected benefits include: 25 per cent increase in yields for sorghum, maize and groundnuts; increase in income from off-farm sales and from added value in processing; infrastructure efficiency gains; improved access to markets and improved access from feeder road construction

and/or rehabilitation; and short-term job creation and increased incomes for youth.<sup>4</sup> The risks factored in the economic and financial analysis include climate shocks, security and conflict, and the macroeconomic context.

### Exit strategy and sustainability

31. SSLRP's exit strategy is inbuilt since the beneficiary communities will be in full control of the entire CDD process. CBOs will promote and manage socioeconomic change and will be enabled to plan, implement and operate subprojects. The involvement of government structures at the national, state and county (*payam* and *boma*) levels will be critical in ensuring the overall sustainability of interventions, especially for the strategic public-good investments. Capacities of the respective government institutions will be variously strengthened to ensure effectiveness.

## III. Risks

### A. Risks and mitigation measures

Table 4  
Risks and mitigation measures

<i>Main risks</i>	<i>Mitigation measures</i>
<p><b>Fragile Country context.</b> The Transitional Government has a three-year term — any potential conflict may impact on the peace agreement, and the ongoing state-building efforts.</p> <p>Institutional capacity gaps, an inadequate policy framework, and limited participation of beneficiaries in decision-making.</p>	<p>Component 0 will enable SSLRP to reallocate funds to provide emergency support as required.</p> <p>SSLRP will be implemented through a modular approach allowing for implementation of interventions in specific locations (states, counties), independently of developments in other counties.</p> <p>SSLRP will work with ILO and other partners to strengthen MAFS' capacities.</p> <p>SSLRP will be implemented through a third-party IA consisting of a consortium of competent NGOs with a strong track record of implementing resilience projects.</p>
<p><b>Environment and climate context.</b> Poor spatial and temporal distribution of water as well as scarcity of rainfall (drought) combined with excess rainfall and flooding.</p>	<p>CDPs will identify and prioritize investments at household and community level to combat climate change impacts through support to climate-smart agriculture and investment in climate-resilient infrastructure.</p>
<p><b>Financial management (FM).</b> Inadequate internal control and financial reporting systems.</p>	<p>An IA that has adequate FM capacity and systems as well as an accounting system acceptable to IFAD financial accounting standards.</p>
<p><b>Procurement.</b> Lack of acceptable national legal and regulatory framework, procurement delays, limited procurement capacity.</p>	<p>IFAD's Project Procurement Guidelines, Procurement Handbook and standard procurement documents will apply, with continuous provision of technical assistance (TA) and training. Low thresholds for IFAD's no objection will be applied.</p>

<sup>4</sup> Youth costs will amount to an estimated US\$12,440,800, based on a beneficiary target of 70 per cent.

Table 5  
Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Political commitment	Substantial	Substantial
Governance	High	Substantial
Macroeconomic	High	Substantial
Fragility and security	High	Substantial
Sector strategies and policies	Substantial	Moderate
Environmental and private context	High	Moderate
Capacity for implementation and sustainability	High	Moderate
Financial management	Substantial	Moderate
Stakeholder grievance	Substantial	Moderate
<b>Overall</b>	High	Moderate

## B. Environment and social category

32. Based on the expected activities under two technical components, SSLRP's environmental and social categorization is rated as B. Activities, which could have environmental and social implications include: (i) rehabilitation and construction of water infrastructures; (ii) rehabilitation and construction of rural access roads; (iii) rehabilitation and construction of processing and storage facilities; and (iv) application of agricultural inputs. Given the size and scale of expected interventions, significant and irreversible environmental and social impacts are not expected. Any potential negative impacts will be addressed through the environmental and social management plans and other mitigation measures.

## C. Climate risk classification

33. SSLRP's climate risk classification is moderate. Climate risk analysis (CRA) and climate vulnerability assessments covering all counties have been undertaken and are attached to the Social, Environmental and Climate Assessment Procedures (SECAP) review note. Risks will be mitigated by increasing the ability of communities to adapt to environmental and climate changes. The CRA identified the following risks: poor spatial and temporal distribution of water as well as scarcity of rainfall (drought), combined with excess rainfall and flooding, which will all be addressed under SSLRP.

## D. Debt sustainability

34. According to the International Monetary Fund (IMF) 2019 Article IV Consultation, the outlook remains extremely difficult, with continuing threats to macroeconomic and financial stability, and declining incomes due to low oil prices, resulting in deteriorating humanitarian conditions. The Government has experienced significant budget shortfalls (40–60 per cent) over the past few years, which significantly strains its ability to invest in service provision and mobilize counterpart funds. In addition, the SSP remains vulnerable to high inflation, resulting in exchange rate volatility. The IMF has recently approved a loan of US\$52.3 million under the Rapid Credit Facility to enable the country to finance balance of payments' needs, contain the fiscal impact of the pandemic and oil price shocks and provide fiscal space to maintain poverty-reducing and growth-enhancing spending.

# IV. Implementation

## A. Organizational framework

### Programme management and coordination

35. MAFS will be the lead executing agency. SSLRP will be delivered through tailored arrangements where the core technical components will be implemented by a third-party IA, under the oversight of a PCU. To build up the MAFS' capacity to

implement projects and strengthen sustainability, the PCU will undertake capacity development activities under subcomponent 3.2.

36. The IA will consist of a consortium of NGOs led by Veterinarians without Borders (VSF)-Germany, with Save the Children (STC) and Action Africa Help International (AAH-I). The consortium combines the collective strengths of each institution on nutrition and youth empowerment (STC), community development (AAH-I) and resilience operations in agropastoral communities (VSF).
37. VSF-Germany as the consortium lead will be responsible for procurement, FM, monitoring and evaluation (M&E), and reporting to the Government and IFAD. VSF-Germany will enter into subsidiary sub-agreements with STC and AAH-I, outlining specific deliverables. IFAD will provide its no objection to the final draft contract between the Government and the IA, and as well the sub-agreements between the IA (VSF-Germany) and the consortium parties. Component 3 will be implemented by the Government in partnership with ILO.
38. The PCU will supervise the IA, and will be the main conduit between the IA and the oversight bodies. The PCU will also coordinate the engagement of the Government's technical experts in implementing SSLRP and liaise with the IA to generate knowledge and facilitate dissemination nationally and regionally.
39. SSLRP will integrate a community-based participatory approach at all levels with the objective of ensuring transparency, accountability and ownership in order to increase the sustainability of interventions. Decentralized local government structures will play a key role at all stages of SSLRP implementation (planning, delivery, M&E and reporting), including the state development committees, county development committees, *payam* development committees and *boma* development committees. The central role of the decentralized structures will be to support targeting-identification of locations and beneficiaries, awareness-raising and overall conflict sensitivity and social risk management.

#### **Financial management, procurement and governance**

40. **Financial management.** The Government has resumed the implementation of public financial management reforms, which are at a nascent stage. The inherent FM risk is assessed as substantial. Through the proposed mitigation measures, especially the use of an IA with adequate FM systems and policies, this risk is mitigated to moderate. The IA will be responsible for all the FM aspects of the projects, while the Government, through the PCU, will provide additional oversight and monitoring of the use of funds in accordance with the MoU to be signed. The Government will provide final clearance for all reports submitted to IFAD. The programme will adopt and apply the International Financial Reporting Standards, and accounts will be maintained using International Public Sector Accounting Standards cash accounting. Funds will flow directly from IFAD to the IA, apart from funds for subcomponent 3.2, which will flow to MAFS to support the PCU overseeing the subcomponent's implementation. The funds will be disbursed from IFAD on a revolving account basis for both the IA and MAFS.
41. **Procurement.** SSLRP will adopt IFAD's procurement framework in its entirety. Both the IA and the PCU will be supported by IFAD through TA to ensure compliance with IFAD procurement processes and procedures, and international best practice in procurement. A Procurement Committee will be established at the IA and the PCU will review and certify the key procurement documents and actions. To mitigate potential risks, the threshold for IFAD's prior review will be US\$20,000. The IA and MAFS will be expected to work through the No Objection Tracking Utility System for the submission of no objection requests and IFAD's client portal (ICP) for contract management (contract management tool).
42. **Governance.** A government oversight body comprising the National Advisory Committee and National Technical Committee will provide oversight to ensure

effective SSLRP implementation. While the enforcement of good governance will be the primary responsibility of the Government, all SSLRP stakeholders will be made aware of the Revised IFAD Policy on Preventing Fraud and Corruption. SSLRP will also comply with IFAD's policy to preventing and responding to sexual harassment, sexual exploitation and abuse.

**Programme target group engagement and feedback and grievance redress<sup>5</sup>**

43. SSLRP will align with IFAD's Framework for Operational Feedback from Stakeholders and ensure beneficiary engagement from start-up to completion. An indicator for tracking beneficiary engagement and feedback has been included in the M&E system.

**Grievance redress**

44. A programme grievance and redress mechanism has been developed in the Environment and Social Management Framework and IFAD's SECAP procedures: it proposes recourse through a community-based route and formal legal procedures. The community-based grievance redress mechanism uses existing traditional structures and also facilitates grievance resolution at higher levels (including courts of law, where necessary).

**B. Planning, monitoring and evaluation, learning, knowledge management and communication**

45. **Planning.** Annual workplan and budget (AWP/B) planning will be led by the IA in close consultation with the PCU, decentralized structures, beneficiaries and AfDB. The AWP/B, procurement and capacity-building plan will be consolidated at the PCU level and transmitted to the oversight bodies and IFAD for no objection. Planning will be informed by the prevailing security situation and conflict situation, which will inform the sequencing of activities. The programme will adopt multi-year, results-oriented planning linked to achievement of its development objective.
46. **Monitoring and evaluation.** The IA will coordinate M&E processes, reporting, and knowledge management, and will be responsible for preparing consolidated six-monthly and annual progress reports, conducting outcome surveys and preparing thematic studies. A baseline study will be undertaken during the first year to provide a benchmark for assessment of outcomes and impact. The survey will include data for tracking progress on mainstreaming themes and risk monitoring. IFAD's core indicator guidelines will be the methodological tool used to measure programme outcomes and undertake the baseline midterm review (MTR) and completion surveys.
47. **Knowledge management and learning.** A knowledge management action plan will be prepared to: (i) identify knowledge gaps and prioritize knowledge products to be developed; (ii) systematically document methods to ease the scaling up of best practices in South Sudan or repackaging of innovative approaches developed elsewhere; and (iii) disseminate knowledge using various communication tools (newsletter, brochures, websites, radio, farmers' field schools). Key knowledge products include capacity needs assessment, nutrition gap analysis and county profiles.
48. **Communication.** SSLRP will develop a strategic communication plan for products targeting specific groups and donors to increase awareness of SSRLP and its results. Improved communication will support the programme's social inclusion interventions and improve group engagement and feedback, and ownership.
- Innovation and scaling up**
49. SSLRP will promote the adaptation of new approaches in the South Sudanese context including: (i) participatory approaches to planning and resource allocation

<sup>5</sup> See Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability, <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1>.

through the CDD; (ii) effective, low-cost agricultural technologies, e.g. threshers, solar drying; (iii) enterprises and services such as village savings and credit cooperatives and village savings and loan association; (iv) labour-intensive public works that provide strategic cash injections into the communities; and (v) adapting the Gender Action Learning System approach to CDD programming.

## **C. Implementation plans**

### **Implementation readiness and start-up plans**

50. A draft AWP/B, an 18-month procurement plan and draft programme implementation manual were prepared during design. Terms of reference for consultancies and experts have been drafted to expedite recruitment by the IA. IFAD will provide TA to the PCU and IA to support implementation. The Government and the IA will be expected to ensure full compliance with ICP, including No Objection Tracking and Utilities System, contracts management and financials. IFAD will be supported by a long-term consultant in-country, who will provide implementation support to the Government and the IA.

### **Supervision, midterm review and completion plans**

51. **Supervision.** Supervision arrangements will be informed by the prevailing security situation. Due to IFAD's limited logistical capacity in the country FAO will be engaged to support supervision missions. Considering the risk associated with the implementation of subcomponent 3.2, IFAD will ensure quarterly monitoring meetings on procurement and FM during the first year. As part of the annual missions' objectives, a review of the effectiveness of implementation arrangements will be undertaken to ascertain whether any adjustment or restructuring is needed.
52. **Midterm review.** The MTR will also be an opportunity to revisit key design elements (e.g. indicator targets) as required, since SSLRP's design was finalized under COVID-19 guidelines.
53. **Programme completion plans.** At the end of SSLRP implementation, the Government will be required to undertake a programme completion review, in close coordination with IFAD. A beneficiary impact assessment will also be undertaken to inform the review.

## **V. Legal instruments and authority**

54. A programme financing agreement between the Government of the Republic of South Sudan and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.
55. The Government of the Republic of South Sudan is empowered under its laws to receive financing from IFAD.
56. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.



## **VI. Recommendation**

57. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Government of the Republic of South Sudan in an amount of one million nine hundred thousand United States dollars (US\$1,900,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a Debt Sustainability Framework grant to the Government of the Republic of South Sudan in an amount of seven million nine hundred thousand United States dollars (US\$7,900,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo  
President

## **Negotiated financing agreement: "Livelihoods Resilience Programme (SSLRP)"**

(Negotiations concluded on 30 March 2021)

Loan No: \_\_\_\_\_

Grant No: \_\_\_\_\_

Project name: Livelihoods Resilience Programme (SSLRP) (the "Project")

The Republic of South Sudan (the "Borrower/Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(Each a "Party" and both of them collectively the "Parties")

**WHEREAS**, the Borrower/Recipient has requested a loan and a grant from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS**, the Borrower/Recipient has undertaken to provide additional support, financially or in kind that may be needed to the Project;

**WHEREAS**, the Project will be carried out through the Lead Project Agency and through an Implementing Agency pursuant to a separate contract to be entered into between the Borrower/Recipient and the Implementing Agency (the "IA contract") and as applicable, separate contracts to be entered into between the Implementing Agency and the Project service providers (each "Sub-project contract");

**WHEREAS**, the African Development Bank (AfDB) will fund USD 5.6 million on a parallel basis through the AMVAT Development Project;

**WHEREAS**, the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

### **Section A**

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2018, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a Loan and a Grant (the "Financing") to the Borrower/Recipient, which the Borrower/Recipient shall use to implement the Project in accordance with the terms and conditions of this Agreement.

**Section B**

1. A. The amount of the Loan is one million nine hundred thousand US dollars (USD 1,900,000).
- B. The amount of the Grant is seven million nine hundred thousand US dollars (USD 7,900,000).
2. The Loan is granted on highly concessional terms.
3. The Loan Service Payment Currency shall be in USD.
4. The first day of the applicable Fiscal Year shall be 1st of July.
5. Payments of the service charge shall be payable on each 15 of June and 15 of December.
6. There shall be two Designated Account(s) in USD, for the exclusive use of the Project, managed respectively by the Project Coordination Unit (PCU) and IA for their respective implementation areas as specified in Schedule I to this Agreement. The Borrower/Recipient shall inform the Fund of the officials authorized to operate the Designated Accounts.
7. Two Project Accounts shall be opened in local currency by the PCU and IA respectively for the components they will be responsible for implementing as specified in Schedule I to this Agreement.
8. The Borrower/Recipient shall provide counterpart financing for the Project in an estimated amount equivalent to one million and six hundred thousand USD dollars (USD 1,600,000), in the form of taxes and duties.

**Section C**

1. The Lead Project Agency shall be the Borrower/Recipient's Ministry of Agriculture and Food Security (MAFS) or any successor thereto. The Lead Project Agency will designate the role of Implementing Agency for Component 1 and Component 2 to VSF-Germany, while Component 3 will be implemented by the Lead Project Agency.
2. The Project service providers (as defined in Schedule 1, Part II of this Agreement) are designated as additional Project Parties.
3. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions, with the joint participation of the Project Parties; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.
4. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement.
5. Procurement of goods, works and services financed by the Financing shall be carried out entirely in accordance with IFAD's Project Procurement Framework, including, inter alia, IFAD's Project Procurement Guidelines, Procurement Handbook and Standard Procurement Documents, to the exclusion of any national system.

**Section D**

The Fund shall administer the Financing and supervise the Project.

**Section E**

1. The following are designated as additional grounds for suspension of this Agreement:
  - (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower/Recipient, has determined that it has had, or is likely to have, a material adverse effect on the Project;
  - (b) The IA contract or the sub-project contracts entered into or any provision thereof has been assigned, waived, suspended, terminated, amended or modified and the Fund after consultation with the Borrower/Recipient, has determined that it has had, or is likely to have, a material adverse effect on the Project.
2. The following are designated as additional general conditions precedent to withdrawal:
  - (a) The IFAD No Objection to the PIM has been obtained;
  - (b) The key Project Personnel have been appointed in accordance with paragraph 7.3 of Schedule 1, Part II of this Agreement;
  - (c) The Borrower/Recipient has procured and installed an accounting software acceptable to the Fund as satisfying best practice for donor-funded projects, for use by the PCU and IA.
  - (d) The draft IA contract has been prepared and obtained IFAD's No Objection;
  - (e) The County Profiles have been duly prepared and submitted to IFAD for No Objection
  - (f) Gender and Targeting Strategy has been prepared and submitted to IFAD for No Objection.
3. The following are the designated representatives for the purpose of Section 15.03 of the General Conditions:

For the Borrower/Recipient:

His Excellency  
Minister of Finance and Planning  
Republic of South Sudan

For the Fund:

President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

4. The following are addresses to be used for any communication related to this Agreement for the purposes of Section 15.01 of the General Conditions:

For the Borrower/Recipient:

Deputy Minister of Finance and Economic Planning  
Republic of South Sudan  
Juba

Undersecretary for Planning  
Ministry of Finance and Economic Planning  
Republic of South Sudan  
Juba

Minister of Agriculture and Food Security  
Republic of South Sudan  
Juba

Deputy Minister  
Ministry for Agriculture and Food Security  
Republic of South Sudan  
Juba

Undersecretary, Food Security  
Ministry for Agriculture and Food Security  
Republic of South Sudan  
Juba

For the Fund:

Regional Director  
East and Southern Africa Division  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

Country Director  
East and Southern Africa Division  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

This Agreement, [dated \_\_\_\_\_], has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower/Recipient.

THE REPUBLIC OF SOUTH SUDAN

\_\_\_\_\_  
"[Authorised Representative Name]"  
"[Authorised Representative title]"

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_  
Gilbert F. Houngbo  
President

Date: \_\_\_\_\_

## **Schedule 1**

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Target Population.* The primary target group are poor, food insecure smallholder producers engaged in fishing, cropping, and livestock production. Within these groups, there will be special emphasis on the inclusion of youth, women and vulnerable groups, such as women headed households and returnees and persons with disabilities who will receive specific attention to facilitate their social integration in agricultural production and economic activities.

2. *Project area.* SSLRP will be implemented in three (out of 10) States and five Counties: Eastern Equatoria (Magwi and Torit); Central Equatoria (Kajo Keji and Terekeka) and Jonglei (Bor). The Project will directly target 38,800 poor households. Within each of the three Counties, three Payams will be selected. Selection of Payams and Bomas will be done in consultation with the county administration and will follow the geographical criteria used in selecting the States and Counties.

3. *Goal.* The overall goal of SSLRP is to contribute to improved and resilient livelihoods among the targeted rural communities'. The Project Development Objective is to 'empower communities to participate in decision-making processes that will recover agriculture livelihoods, build household resilience and promote stability'.

4. *Objectives.* SSLRP has two main outcomes: a) communities empowered to plan and implement investments that stabilize livelihoods and build assets at the household and community levels; and b) improved access to productive assets, services and climate resilient infrastructure.

5. *Components.* The Project shall consist of the following Components: 1) Community Driven Development Planning; 2) Agriculture Production and Rural Livelihood Support, 3) Project Support and Capacity Building.

Component 0), Disaster Risk Reduction and Management, aims at providing a timely response when adverse conditions e.g. weather extremes, conflict or calamities like COVID-19 pandemic occur. Component 0 can only be triggered following the declaration of an emergency situation by the Borrower/Recipient, and/or by other competent authorities in agreement with the Borrower/Recipient. Funds would be reallocated from other components to support crisis modification under this component.

#### **5.1 Component 1) Community Driven Development Planning**

This Component's objectives are to: a) build strong and inclusive Community Based Organizations (CBOs) that will serve as promoters and managers of socio-economic change; b) work with CBOs to develop climate and gender responsive Community Development Plans (CDPs) that respond to beneficiaries' priorities; and c) identify strategic productive investments to enhance the effectiveness of the CDPs. The CDP process will be underpinned by the development of County Profiles, which will identify the key opportunities and constraints, market dynamics, infrastructure gaps, and context for IFAD's mainstreaming themes. CDP development will be achieved through a guided facilitation process.

*Subcomponent 1.1: Build Strong and Inclusive Community Based Organizations (CBOs)*

*Subcomponent 1.2: Development of Community Driven Development Plans (CDPs)*

## **5.2 Component 2) Agriculture Production and Rural livelihood Support**

This Component will finance approved CDPs developed under Component 1, and strategic investments identified through the County Profiles and the CDPs. The types of activities to be financed include: a) labour intensive community civil works; b) agriculture production and increased productivity of households; c) off-farm income generating activities such as processing; d) strategic infrastructure for increased market linkages; and e) skills enhancement for young people to provide agriculture advisory services.

*Subcomponent 2.1: Investments for Climate-Sensitive Agriculture Production and Rural Livelihoods*

*Subcomponent 2.2 - Community Infrastructure to Support Production and Marketing*

## **5.3 Component 3) Project Support and Capacity Building**

The objective of the Component is twofold: a) to manage SSLRP in an efficient and effective manner by providing overall coordination to planning and implementation, financial management and control, procurement support, Monitoring and Evaluation, knowledge management, and progress reporting; and b) augment the capacity of government institutions to facilitate participatory planning and development processes. SSLRP will support strengthening the national policy framework for agriculture and rural development. SSLRP will collaborate with the International Labour Organisation (ILO) and/or other Development Partners (DPs) on the development of: a) National Cooperatives Development Policy Framework and Strategy – this would provide guidance on the formation, growth and development of cooperative enterprises in the country; and b) National Rural Financial Policy Framework; it would guide the delivery of financial services to smallholder producers and resource poor farmers in the rural areas.

*Subcomponent 3.1: Institutional Capacity Building and Policy Support.*

## **II. Implementation Arrangements**

6. **Lead Project Agency (LPA).** The Ministry of Agriculture and Food Security (MAFS) will be the LPA.

7. **Implementing agency (IA).** MAFS will designate VSF-Germany as the Lead Implementing Agency for Component 1 and Component 2. VSF-Germany will implement these two components in consortium with Save the Children and Action Africa Help International (AAHI) as Project service providers. VSF- Germany will implement the technical components under the oversight of a Government-led Project Coordination Unit (PCU). VSF-Germany will be responsible for procurement, financial management, M&E and meeting all the reporting requirements to the Borrower/Recipient and to IFAD for Component 2, while consolidation will take place at the PCU for transmission to IFAD and Oversight Bodies.

The IA will work closely with the PCU and the target States and Counties during activity planning and implementation to ensure consistency with State and County development agendas. The IA may work through local partners and service providers, as well as government frontline extension agents, where they exist.

7.1. *Other agreements.* The Borrower/Recipient, through MAFS, and VSF-Germany will enter into a contract, and VSF-Germany will enter into sub-project contracts with Save the Children, AAHI and other service providers, outlining specific deliverables under SSLRP. IFAD will provide its No Objection to the final draft IA contract, and to the sub-project contracts.



MAFS will implement Component 3 of the Project through the PCU, through service providers such as International Labour Organization (ILO) and other DPs to support cooperative development. IFAD will provide its No Objection to the sub-project contracts and/or MOUs with other service providers.

**7.2 Responsibilities.** The IA will be responsible for the implementation of the core technical Components 1 and 2. The main responsibilities of the IA will be to: a) prepare and execute the Annual Work Plans and Budgets (AWPBs), implementation progress and financial reports for components 1 and 2, which will be consolidated by the Project Coordination Unit (PCU) (for review, comment and onward forwarding to the oversight body National Technical Committee (NTC) and National Advisory Committee (NAC) and submission to IFAD; b) M&E, fiduciary and procurement systems and capacities and undertake relevant project-related fiduciary functions in compliance with IFAD Guidelines; c) work closely with the PCU and the target States and Counties during planning and implementation to ensure consistency with State and County development agendas. The IA will use government frontline extension agents where they exist, with the dual objective of strengthening their capacity and to serve as part of the exit strategy.

**8. Project Management Team (PMT) under the IA.** A PMT will coordinate and oversee SSLRP activity implementation. The PMT will be established under VSF-Germany within 3 months after the signing of the IA contract between MAFS and VSF-Germany.

**8.1 Composition of the PMT:** a) Project Manager; b) Technical Coordinator ; c) Monitoring, Evaluation and KM Officer; d) Financial Management Officer; and e) Procurement Officer. The IA will also ensure that it makes adequate arrangements for the effective implementation of the mainstreaming themes of gender, youth, nutrition and Climate Change.

**8.2 Responsibilities.** The PMT in the IA will be responsible for the overall implementation, coordination, and monitoring of progress of the Project. In doing so, it will supervise the work of the project service providers, and work very closely with the target communities, frontline extension agents and other relevant stakeholders, in the implementation of the Project. It will provide coordination and technical support throughout the life of the Project, including submission of project reports.

**9. Project Coordination Unit (PCU).** The PCU will be established as part of capacity development of MAFS and will oversee project coordination, and contracting and supervision of the IA. No later than 6 months after entry into force of this Agreement, the Borrower/Recipient shall establish, and thereafter maintain throughout the period of implementation of the Project a PCU. The PCU will be responsible for providing oversight to VSF-Germany and the work of the PMT.

**9.1 Composition.** The preliminary staff composition of the PCU is as follows: a) Project Coordinator; b) Monitoring, Evaluation and Knowledge Management Officer; c) Financial Management Officer and Accountant; d) Procurement Officer; e) Project Assistant; and f) Driver. The composition of the PCU will be revised in line with new responsibilities assigned to it under the proposal on Institutional Strengthening and Capacity Building for Agricultural Development in South Sudan and other relevant initiatives.

**9.2 Responsibilities.** The main role of the PCU will be to interface with IFAD and the Oversight Bodies i.e. National Technical Committee (NTC) and National Advisory Committee (NAC) and consolidate the AWPB, Progress and Financial Reports for transmittal to the oversight bodies and IFAD. It will also coordinate the engagement of Borrower/Recipient technical experts in the implementation of the Project, and liaise with the IA to capture generated knowledge and facilitate dissemination nationally and regionally. The PCU will also be expected to undertake periodic monitoring of the Project in the field and facilitate IFAD's supervision and implementation support missions.

A government oversight body, comprising the NAC and NTC, will provide an oversight role to ensure effective SSLRP implementation:

10. **National Advisory Committee (NAC).** It is an existing governance structure that will provide the oversight function to the Project. It is chaired by the Undersecretary in the Ministry of Agriculture and Food Security and Co-chaired by the Undersecretary Ministry of Finance and Economic Planning. NAC's core responsibility will be to provide overall policy and strategic guidance and advice to the Project for effective smooth and accountable implementation. NAC coordinates with senior management of other government ministries and development partners at all levels on issues related to related to the project; provides strategic and policy advice on quarterly and annual project progress reports and work plans and approves AWPBs and progress reports before they are submitted to IFAD for No Objection.

11. **National Technical Committee (NTC).** It will also be part of the governance structure, chaired by the Director General of Agriculture and Co-chaired by the Director of Ministry of Finance and Economic Planning. The NTC's responsibility will be to: a) provide technical guidance of the Project; b) update the NAC on technical and operational issues related to the Project; c) facilitate technical and operational partnerships with stakeholders within the government to advance operational/coordination issues related to the Project; d) coordinate with technical counterparts of other government agents; e) update their undersecretaries on any progress and challenges and plans of the Project; f) provide technical and operational guidance to project quarterly and annual progress reports and work plans; and g) participate in periodic monitoring of the Project.

12. **Contract with implementing agency (IA contract).** The Borrower/Recipient will enter into a contract with VSF Germany for the implementation of the core technical components i.e. Component 1, Component 2 and Component 4. The IA contract will be subject to the Fund's No Objection. The IA contract will indicate the delegation of implementation responsibility for Component 1 and Component 2 by the Government of South Sudan. It will also detail a set of performance based objectives and indicators aligned to the implementation of Annual Work Plans and Budgets.

13. **Project Service providers.** Project service providers shall be AAHI and Save the Children, and shall be vested with implementation responsibilities under the Project pursuant to the terms and conditions of this agreement, and as established in the PIM and in the respective Sub-project contracts.

13.1. *Sub-project contracts.* The IA shall enter into a Sub-project contract with each Project service provider under terms and conditions satisfactory to the Fund and subject to the Fund's No Objection, which shall, *inter alia*, include the following:

- (i) AAHI as Project service provider shall support the implementation of Component 1 on the implementation of the Community Demand Driven Development (CDD).
- (ii) Save the Children as Project service provider shall support the mainstreaming of gender, youth and nutrition across the activities in Component 1 and Component 2.

14. **Project Implementation Manual (PIM).** The Borrower/Recipient shall prepare and adopt, in form and substance acceptable to the Fund and subject to the Fund's No Objection, and thereafter carry out the Project in accordance with, the Project Implementation Manual ("PIM"), which manual shall set forth the institutional arrangements for the implementation of the Project, including the coordination arrangements as elaborated in Annex 2 of the PIM in the Responsibility and Accountability Matrices of the SSLRP Stakeholders, financial management and procurement arrangements.

In the event of conflict between the provisions of the PIM and those of this Agreement, the provisions of this Agreement shall prevail. Except as the Fund shall otherwise agree, the Borrower/Recipient shall not amend, abrogate, waiver or fail to enforce any provisions of the PIM without the prior written agreement of the Fund.

The PIM may be amended if and when necessary, and the Project shall adopt the amended PIM substantially in the form approved by the Fund.

15. **Monitoring and evaluation (M&E).** SSLRP's M&E system will seek to strengthen the capacity of primary stakeholders to manage the resources over which they have decision making power. Accordingly, SSLRP will adopt a hybrid type of monitoring which will combine monitoring based on the logical framework and community monitoring. The former will seek to strengthen primary stakeholder engagement and feedback while the latter will focus on providing information needed for impact-oriented project management.

The Project will collect data on project inputs/activities and the resulting outputs. Data on the project's intended outcomes will be collected annually through outcome surveys.

The M&E team will also collect, or facilitate the collection of, data on mainstreaming themes and grievance redress mechanism. These will be incorporated into annual outcome and impact surveys. Data on community indicators will also be collected annually from the second year of project implementation through community monitoring surveys.

Institutionally, the M&E will have multiple levels, that is IA, State, County, Payam and community levels that will be aligned with the project management system. Overall responsibility of M&E will rest with the IA's M&E officer who will be supported by state and county focal points and CFs. The IA's M&E officer will consolidate data and reports from states and validate the information. The officer will prepare progress reports linking physical achievements to the financial progress and estimating overall achievement of project objectives. The Project will operationalize satisfactory home-grown models of monitoring and evaluation, which will include bottom-up participatory and community-based internal learning aspects.

The PCU will carry out at least two monitoring visits per year to the target areas to ensure Government engagement and promote capacity building.

## Schedule 2

### Allocation Table

1. *Allocation of Financing Proceeds.* (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Financing and the allocation of the amounts to each category of the Financing and the percentages of expenditures for items to be financed in each Category:

Category	Loan Amount Allocated (expressed in USD)	Grant Amount Allocated (expressed in USD)	Percentage (net of tax)
1.Grants	930 000	3 130 000	100%
2.Goods, services and inputs	810 000	2 970 000	100%
3.Consultancies	100 000	1 010 000	100%
4.Recurrent costs	60 000	790 000	100%
<b>TOTAL</b>	<b>1 900 000</b>	<b>7 900 000</b>	

(b) The terms used in the Table above are defined as follows:

- (i) Grants includes funds availed to finance Community Development Plans (CDPs) and Strategic Investments identified by the communities.
- (ii) Goods, services and inputs includes training
- (iii) Recurrent costs include salaries and allowances of PCU staff and PCU operating costs

2. *Disbursement arrangements*

(a) *Start-up Advance.* Withdrawals in respect of expenditures for start-up costs in Category(ies) 2, 3 and 4 incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 50,000 and USD 200,000 for the PCU and IA respectively Activities to be financed by Start-up Costs will require the No Objection from IFAD to be considered eligible.

### Schedule 3

#### *Special Covenants*

In accordance with Section 12.01(a) (xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and Grant Accounts if the Borrower/Recipient has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. *Planning, Monitoring and Evaluation.* The Borrower/Recipient shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
2. As of the entry into force of this Agreement, the Borrower/Recipient covenants that:  
a) it shall obtain or cause to be obtained a covenant from any Project Party, to whom Financing may be disbursed under this Agreement, that such funds will not be used for any purpose contrary to this Agreement. This may include incorporating provisions in the IA contract and sub-project contracts to act in compliance with all IFAD Policies; b) it shall include in its IA contract or any other contract with service providers involved in the Project an obligation to refund any unused resources of the Financing.
3. *Compliance with the Social Environmental and Climate Assessment Procedures (SECAP).* The Borrower/Recipient shall ensure that the Project/Project will be implemented in compliance with IFAD's SECAP.

*Environment and Social Safeguards.* (i) The Borrower/Recipient shall ensure that: (a) all Project activities are implemented in strict conformity with the Borrower/Recipient's relevant laws/regulations; (b) all Project activities give special consideration to the participation and practices of ethnic minority population in compliance with IFAD's Policy on Indigenous Peoples (2009), as appropriate; (c) proposals for civil works include confirmation that no involuntary land acquisition or resettlement is required under the Project. In the event of unforeseen land acquisition or involuntary resettlement under the Project, the Borrower/Recipient shall ensure that the Free Prior and Informed Consent (FPIC) principles are applied and cause the Project Parties to prepare, the necessary planning documents in compliance with IFAD's SECAP; (d) women and men shall be paid equal remuneration for work of equal value under the Project; (e) recourse to child labour is not made under the Project; and (f) all necessary and appropriate measures to prepare and implement a Gender and Targeting Strategy and Action Plan to ensure that women can participate and benefit equitably under the Project are duly taken.

(ii) The Borrower/Recipient shall ensure, and cause the Project Parties to ensure, that the Project is carried out in accordance with the provisions of the Environmental and Social Management Framework ("ESMF").

(iii) The Borrower/Recipient shall prepare site specific ESMPs based on the risk screening for each sub-project.

4. *Anticorruption Measures.* The Borrower/Recipient shall comply with IFAD *Policy on Preventing Fraud and Corruption in its Activities and Operations.*

5. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower/Recipient shall ensure that the Project is carried out in accordance with the provisions of the IFAD *Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse*, as may be amended from time to time.

6. IFAD Client Portal (ICP). The Borrower/Recipient shall ensure full compliance with ICP within 12 months after project effectiveness.

# Logical framework

Results Hierarchy	Indicator				Means of Verification			Assumptions (A) / Risks (R)
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Who	
<b>Outreach</b>	<b>1. Number of persons receiving services promoted or supported by the programme</b>				Progress reports	Six monthly	IA	Government of national unity will continue to be effective for peace and stability to continue prevailing (A) Continued Government commitment and implementation of the reforms agenda under Revitalised Peace Agreement (A) Government of national unity will continue ensure peace and stability (A)
	<b>1a. Corresponding number of households reached ****</b>							
	Households - Number	0	11 600	38 880				
	<b>1b. Estimated corresponding total number of household members</b>							
	Total number of HH members	0	67 280	225 504 <sup>6</sup>				
	Males – Number	0	20 184	90 202				
	Females - Number	0	40 368	135 302				
Youth – Number	0	47 096	157 853					
<b>Programme Goal</b> Contribute to improved and resilient livelihoods among the targeted rural communities	<b>Indicator 1: Increase in household asset index<sup>7</sup></b>				National statistics, household, poverty and gender studies	Baseline, mid-term, completion	MAFS, IA	70 per cent of the rural population are considered as youth Investments in climate resilient infrastructure and agricultural technologies promote increased production (A) Increased income is used on household improvements (A) Effectiveness of local government structures to support the programme interventions – Community Development Committees (CDCs) and Payam Development Committees (PDCs)
	Number	0	25	60				
	<b>Indicator 2: Percentage of women reporting minimum dietary diversity (MDDW) (1.2.8)*, ****</b>							
	Women - Percentage	0	25	60				
	Women - Number	0	11 600	17 400				
	Households - Percentage	0	25	60				
	Households - Numbers	0	11 600	17 400				
Household members	0	69 600	104 400					
<b>Development Objective</b> Empower communities to participate in decision-making processes that will recover agriculture livelihoods, build household resilience and promote stability	<b>Indicator 3: Number of households reporting increase in yields of over 25% above baseline (Design adoption rate 60%) ****</b>				National statistics, household, poverty and gender studies	AOS, Baseline, midline and completion	IA	
	Number	0	6 960	23 328				
	<b>Indicator 4: Percentage of households satisfied with programme supported services (CI SF.2.1)</b>							
	Percentage	0	40	80				
	<b>Indicator 5: Percentage of individuals demonstrating an improvement in empowerment (CI IE 2.1)</b>							
Percentage	0	25	60					
<b>Outcome 1</b> Communities empowered to plan and implement investments that stabilize livelihoods and build assets at the household and community levels	<b>Indicator 6: Percentage of CBOs successfully implementing a CDP</b>				Impact assessment baseline, midline, completion and annual outcome studies	Baseline, mid-term, completion, AOS	IA	CDD approach is essential to facilitating social cohesion & economic development Intra-communal dynamics facilitate social inclusion and cohesion Strategic infrastructure is implemented and maintained by the communities
	Percentage	0	40	80				
	Women only	0	30	30				
	<b>Indicator 7: Percentage of households reporting they can influence decision-making of local authorities and programme-supported service providers (CI SF 2.2)</b>							
Percentage	TBC	40	80					
<b>Output 1.1</b> County profiles compiled	<b>Indicator 8: Number of County profiles prepared</b>				Service provider report	MTR and completion	IA, Service Providers	
	Number	0	5	5				
<b>Output 1.2</b> CBOs established or strengthened	<b>Indicator 9: Number of Community Based Organisations (CBOs) established and strengthened</b>				M&E Reports			
	Number	0	159	542				
	Women-only CBOs	0	48	163				
<b>Outcome 2</b> Improved access to productive assets, services and climate resilient infrastructure	<b>Indicator 10: Percentage of households reporting improved physical access to markets, processing and storage facilities (2.2.6)***, ****</b>				Impact assessment report, Programme reports	Baseline, mid-term, MTR, AOS and completion	IA	Communities are more likely to demand the following infrastructure – water supply, processing and storage facilities
	Percentage	0	40	80				
	<b>Indicator 11: Percentage of households reporting adoption of environmentally sustainable and climate-resilient technologies and practices (CI 3.2.2)**, ****</b>							

<sup>6</sup> Calculated based on an average family size of 5.8

<sup>7</sup> To be derived from a basket of productive assets owned by a household and used as a proxy for increase in household income.

Results Hierarchy	Indicator			Means of Verification			Assumptions (A) / Risks (R)
	Name	Baseline	Mid-Term	End Target	Source	Frequency	
	Households - Percentage	0	25	60	Service provider report M&E Reports		Strategic infrastructure identified, implemented and maintained by the communities Changes in weather patterns will not considerably vary from predictions, both in type & magnitude of change Investments in infrastructure can lead to increased production, access to markets & improved nutrition Intra-communal stability is maintained Successful revisions and operationalisation of the National Nutrition Policy Returnee youth are successfully mobilised to engage in Labour intensive public works (LIPW)
	Households - Number	0	4 860	23 328			
	Total number of household members	0	29 160	139 968			
	Women - Number	0	2 900	23 328			
	Men - Number	0	1 450	11 664			
	Youth - Number	0	3 045	24 494			
	<b>Indicator 12: Percentage of households reporting an increase in production (1.2.4)***, ****</b>						
	Number	TBC	40	60			
	<b>Indicator 13: Number of temporary jobs created for youth</b>						
	Number	0	1 000	2 600			
<b>Output 2.1</b> Increased <b>physical</b> access to markets, processing and storage facilities	<b>Indicator 14: Number of kilometres of roads constructed, rehabilitated or upgraded (2.1.5)</b>			Service provider report M&E Reports	MTR, AOS and completion	IA, Service Providers IA, Service Providers	
	Kilometers	0	30				95
<b>Output 2.2</b> Increased access to marketing, processing and storage facilities	<b>Indicator 15: Number of market, processing or storage facilities constructed or rehabilitated (2.1.6)</b>						
	Processing facilities	0	15				46
	Storage facilities	0					
	Market Infrastructure	0					
<b>Output 2.3</b> Strengthened environmental sustainability and climate resilience of poor rural people's economic activities	<b>Indicator 16: Number of groups supported to sustainably manage natural resources and climate-related risks (1.6.11)</b>						
	Number	0	159				542
	Women-only groups	0	48				163
<b>Output 2.3</b> Access to agricultural technologies and production services	<b>Indicator 17: Number of rural producers accessing production inputs and/or technological packages (modified current RIMS indicators 1.2.6/1.2.7)</b>						
	Number	0	159				542
<b>Output 2.4</b> Communities receive nutrition support	<b>Indicator 18: Households provided with targeted support to improve their nutrition (CI 1.1.8)</b>						
	Household - Number	0	11 600				17 400
	Household members benefitted	0	69 600				104 400
	Total persons participating	0	17 400				26 100
	Women - Number	0	11 600				17 400
	Men - Number	0	5 800				8 700
	Youth - Number	0	4 640	11 600			
<b>Outcome 3.</b> Capacities strengthened at community, state & local government levels to support programme implementation	<b>Indicator 19: Number of existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment (Policy 3)</b>			Programme service provider and impact assessment reports M&E Reports	Baseline, mid-term, quarterly, MTR and completion	IA reports	Successful finalisation of the Cooperative Assessment for South Sudan by ILO which will feed into the preparation if the Cooperative policy  PCU plays a facilitative role for the IA and key programme milestones are met
	Number	0	1				
<b>Output 3.1</b>	<b>Indicator 20: Capacity needs assessment prepared</b>						
	Number	0	1				
<b>Output 3.2</b>	<b>Indicator 21: Number of trainings provided to GoSS staff at central and decentralised levels</b>			Service provider and M&E reports	MTR and completion	IA, Service Providers	Effective coordination occurs with the World Bank and African Development Bank investments towards capacity building of MAFS and the PCU
	Number	0	5				
<b>Output 3.2</b>	<b>Indicator 22: Number of policy-relevant knowledge products completed (Policy 1)</b>			Service provider and M&E reports	MTR and completion	IA, Service Providers	
	Number	0	1				



## Integrated programme risk matrix

Risk Categories and Subcategories	Inherent	Residual
<b>Country Context</b>	<b>High</b>	<b>Substantial</b>
<b>Political Commitment</b>	<b>Substantial</b>	<b>Substantial</b>
<p><b>Risk(s):</b> The Transitional Government has a 3-year validity, with elections due in 2022/2023. Any potential conflict may impact on the Peace Agreement, and the 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</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• Component 0 will enable SSLRP to reallocate funds to provide emergency support as required. SSLRP will also coordinate with humanitarian agencies such as UNHCR, to tap into their early warning systems, to be able to better predict emerging conflict.</li> <li>• SSLRP will be implemented in a modular approach premised on the County Development Plans, allowing for implementation of interventions in specific locations (Payams, Counties), independent of the developments in the other Counties.</li> <li>• IFAD will monitor in-kind contributions to fully capture the contribution of the Government and beneficiaries. SSLRP expects a very modest counterpart funding from the Government (US\$950 000) and beneficiaries (US\$366 000). IFAD is seeking to mobilise co financing from Dev partners – Dutch, Germans, and African Development Bank (AfDB).</li> </ul>		
<b>Governance</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk(s):</b> 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 SSLRP through Government structures. 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. This results in insufficient accountability, a lack of transparency and creates gaps in financial reporting. The decentralisation policy is not yet fully implemented and may impact on the coordination between the Central and Decentralised government.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• SSLRP will be implemented through a Third Party IA consisting of a consortium of competent NGOs with a strong track record, as well as systems and capacities, in implementing resilience projects. The IA will work with decentralized government agencies, and strengthen the county development committees (CDCs), and the payam development committees (PDCs), which all play a critical role in the implementation and sustainability of SSLRP. The IA will use IFAD's Project Procurement Framework in its entirety</li> <li>• IFAD will engage in dialogue with the IMF, WB, AfDB) and development partner representatives in the ongoing public financial</li> </ul>		

Risk Categories and Subcategories	Inherent	Residual
<p>management (PFM) reforms working group, set up to strengthen financial governance in the National Revenue Authority and realign the budget towards service delivery.</p> <ul style="list-style-type: none"> <li>● In subcomponent 3.2 SSLRP in partnership with other IFIs (e.g. AFDB and World Bank) will build capacities of the PCU and decentralised State in financial management, internal control frameworks, M&amp;E, and procurement. By programme end the GoSS PCU will be able to take on increased implementation of future donor projects.</li> <li>● SSLRP will work with ILO to strengthen the Cooperative Development Policy Framework under sub-component 3.2</li> </ul>		
<b>Macroeconomic</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk(s):</b> According to the IMF article IV consultations of 2019, the outlook remains extremely difficult, with continuing threats to macroeconomic and financial stability, declining income due to low oil prices, resulting in deteriorating humanitarian conditions. GoSS has therefore persistently experienced significant budget shortfalls (40 per cent – 60 per cent) over the past few years, which significantly strains the Country's ability to investment in service provision and mobilise counterpart funds. 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 programme in the EFA</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● IMF has just granted GoSS a US\$52.3 million emergency loan under the Rapid Credit Facility to help its economy weather the shock of the COVID-19 pandemic. It is expected that this loan will contribute towards stabilising the SSP currency.</li> <li>● 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 in the Ministry of Finance, National Revenue Authority, Tax Management and realign the budget towards service delivery.</li> <li>● Profitability analysis for SSLRP has been run in USD, to mitigate the volatility of the exchange rate and ensure realistic price/expenditure scenarios for internationally sourced goods.</li> <li>● IFAD supervision missions will continuously review value for money to address any potential expenditure increases.</li> </ul>		
<b>Fragility and security</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk(s):</b> 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 inter community conflict due to competition for natural resources. The country is expected to hold elections in 2023, which</p>		

Risk Categories and Subcategories	Inherent	Residual
<p>may potentially impact the security situation. The country is also affected by the Desert locust phenomenon which is devastating food and nutrition security across East Africa. COVID-19 may impact on community engagement due to restrictions to gatherings</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>● The programme will integrate adaptive programming with scenario based planning and modular implementation, to enable the programme to respond to potential security risks in different locations. SSLRP will work with humanitarian agencies i.e. UNHCR, WFP to i) identify beneficiaries graduating from humanitarian assistance that are ready for SSLRP interventions, ii) share information from their early warning systems and iii) provide information on conflict analysis.</li> <li>● SSLRP includes an un-costed component 0 to address any potential disasters and emergency situations arising from the programme. If needed, funds will be reallocated from other Components to provide emergency support in support of a GoSS emergency response.</li> <li>● SSLRP will provide employment opportunities for the youth, which may dissuade them from engaging in conflict activities.</li> <li>● Missions will ensure full compliance with Minimum Operational Security Standards (MOSS) &amp; partnership with other IFIs and/or UN agencies for implementation</li> <li>● IFAD will engage third party programme supervision modalities if the security situation is not conducive for IFAD missions</li> <li>● SLRP will follow all GoSS COVID-19 protocols.</li> </ul>		
<b>Sector Strategies and Policies</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Policy alignment</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk(s):</b> 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. The key policy documents include - The Agriculture Sector Policy Framework 2012 2017, Comprehensive Agriculture Master Plan, Irrigation Development Master Plan (CAMP/IDMP) 2015–2040, National Nutrition Policy. In view of the Peace Agreement and the restructuring of the economy, these will need to be revised to support operationalisation and to trigger an agriculture transformation in the country. On the mainstreaming themes, South Sudan has been a member to the Scaling Up Nutrition (SUN) Movement since 2016, although it lacks the relevant nutrition legislation, while the Food and Nutrition Policy is under preparation.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>● SSLRP will support the development of the Cooperative Development Policy Framework and the Rural and Agriculture Finance Policy under sub-component 3.2.</li> <li>● SSLRP will support the implementation of Local Government Development Policy by realigning service delivery by the stakeholders</li> </ul> <p>In line with local demands, and working through the decentralised structures i.e. County Development Committees (CDCs), Payam</p>		

Risk Categories and Subcategories	Inherent	Residual
<p>(village) Development Committees (PDCs). CDCs and PDCs will be strengthened to facilitate implementation of SSLRP. In addition, Component 1 &amp; 2 will facilitate operationalisation of decentralisation while integrating IFAD's mainstreaming themes into the CDD framework, through facilitation</p> <ul style="list-style-type: none"> <li>• IFAD's targeting policy and SECAP will be applied to ensure appropriate social inclusion. SSLRP will liaise with the Nutrition Department and other stakeholders in the SUN Movement to bring lessons from SSLRP/IFAD into ongoing efforts to prepare the nutrition action plan.</li> </ul>		
<b>Policy development &amp; implementation</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk(s):</b> 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.</p> <p>- There is a need to support the Government of South Sudan in the revision and operationalisation of the policy frameworks, in view of the Peace Agreement and the restructuring of the economy to tap into the huge potential of the agriculture sector.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• SSLRP will support the development of the Cooperative Development Policy Framework and the Rural and Agriculture Finance Policy under sub-component 3.2, in partnership with ILO and the Ministry of Agriculture and Food Security (MAFS).</li> <li>• SSLRP will align with the interventions of other development partners in policy development including: AFDB – Value chain analyses for key commodities Sorghum, Groundnut, Sesame, Seed Sector Policy Framework, Food Safety Regulations and SME Policy.</li> <li>• The IA will be expected to apply IFAD policies (SECAP, Targeting)</li> <li>• Capacity needs assessment, which will inform capacity development interventions and the provision of specialised technical assistance.</li> </ul>		
<b>Environment and Climate Context</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Programme vulnerability to environmental conditions</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk(s):</b> Given the poor spatial and temporal distribution of water as well as scarcity of rainfall, drought is the single most important production risk factor. Excess rainfall that leads to flooding is another high risk.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• CDPs will identify and prioritise investments at household and community level to combat climate change impacts through support to climate smart agriculture and investment in climate resilient infrastructure.</li> <li>• SSLRP will mobilise communities to collectively address disasters caused by natural hazards especially climate change, which has a multiplier effect on natural resources, water, and land (common source of conflict). The interventions will include: (i) Support establishment of local community groups to address issues of conflict, drought, gender issues and peace building (ii) Build capacity of these community groups to identify risks and hazards early enough and to disseminate information to communities. (iii) Optimize</li> </ul>		

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
community preparedness for early action e.g. weather predictability through identification of traditional/ community early warning indicators and linking them with modern early warning information system		
<b>Programme vulnerability to climate change impacts</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk(s):</b> Climate change is a significant driver of environmental change in South Sudan. Generally, temperature has been increasing and rainfall decreasing and this is forecasted to continue for coming decades. Seasonal rainfall trends are highly variable across the country. Since the mid-1970s, South Sudan has experienced a decline of between 10 to 20 per cent in average precipitation as well as increased variability in the amount and timing of rainfall from year to year and rainfall will decrease in the north and increase in the south.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>● CDPs will identify and prioritise investments at household and community level to combat climate change impacts through support to climate smart agriculture and investment in climate resilient infrastructure.</li> <li>● Some of the climate smart technologies to be promoted include: a) rainwater harvesting; b) drought tolerant and early maturing crop varieties; c) drought tolerant forage and agroforestry fodder species; d) watershed conservation and management; e) afforestation; f) mangrove rehabilitation and conservation; g) solar and other forms of renewable energy sources, and energy saving approaches etc.</li> <li>● Furthermore, SSLRP, through the CBOs and CDP facilitation process will mobilise communities to collectively address disasters caused by natural hazards especially climate change, which has a multiplier effect on natural resources, water, and land (common source of conflict). The interventions will include: (i)Support establishment of local community groups to address issues of conflict, drought, gender issues and peace building (ii) Build capacity of these community groups to identify risks and hazards early enough and to disseminate information to communities.(iii)Optimize community preparedness for early action e.g. weather predictability through identification of traditional/ community early warning indicators and linking them with modern early warning information system</li> </ul>		
<b>Programme Scope</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Programme relevance</b>	<b>Moderate</b>	<b>Low</b>
<p><b>Risk(s):</b> The Peace Agreement has motivated the return of the displaced population, with the bulk settling in the Equatorias . The returnees are faced with conditions of limited physical and financial assets and weak public and private service coverage. Agriculture and rural infrastructure are dilapidated with seasonally impassable community access roads, and inefficient and expensive transportation from farm to storage facilities and markets. Irrigation and water harvesting technologies are inadequate, with poor post-harvest and value addition.</p>		
<b>Mitigations:</b>		

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
In alignment with the GoSS Comprehensive Agriculture Master Plan (CAMP) and IFAD's Country Strategy Note (2021-2022), SSLRP will focus on re-establishing livelihoods for rural communities, focussing on returnee households, young people and women. It will strengthen the resilience of rural communities to emergency and crises, rebuild local agricultural production and stabilize incomes through micro enterprises and short-term employment. SSLRP will complement the Revitalized Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS), which commits to restore economic foundations by generating employment and improving livelihoods. A CDD approach provides leeway for the beneficiaries to identify projects based on their own needs. SSLRP also foresees some social protection activities to build the asset base of beneficiaries to be able to participate in the programme activities through livelihoods promotion and Labour Intensive Public Works (LIPW) where youth will derive income.		
<b>Technical soundness</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Risk(s):</b>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>• The GoSS appointed a team of experts from the Ministry of Agriculture who formed a companion SS-PDT that has worked with the IFAD team throughout the design process to provide information and validate the design assumptions. IFAD PDT will undertake a validation mission after the DRM to further confirm programme</li> <li>• IFAD engaged a local consultant who undertook field verification missions to collect field data and engaged with State and County officials. IFAD also held extensive consultations with the Agriculture and Livelihood Development Working Group (ALDWG), NGO Forum and other key partners including FAO, WFP, UNHCR.</li> <li>• SSLRP will prepare County Development Profiles which will assess and identify 'low hanging fruits' in terms of community infrastructure and assets, conditions of mainstreaming themes, and inform the selection of villages where the programme will be implemented. The profiles will also inform the finalisation of a targeting strategy which will be cleared by IFAD.</li> <li>• SSLRP ensures that at least 30% of the Community Development Plans financed are from women groups.</li> </ul>		
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>High</b>	<b>Moderate</b>
<b>Implementation arrangements</b>	<b>High</b>	<b>Moderate</b>
<p><b>Risk(s):</b></p> <p>The Ministry of Agriculture and Food Security (MAFS) does not have sufficient capacity and systems to manage the programme effectively (in accordance with the Financing Agreement and all relevant IFAD basic legal documents) towards achievement of envisaged programme development objectives. The Government has requested to implement the capacity development activities for Sub-component 3.2, as they relate to the value of IFAD's loan to GoSS on highly concessional terms.</p>		
<b>Mitigations:</b>		

Risk Categories and Subcategories	Inherent	Residual
<ul style="list-style-type: none"> <li>● The core components will be implemented by a competent consortium of NGOs led by VSF-Germany. The selection of the consortium partners was driven by their respective technical, operational, programme management, and financial management capacities. Full details are contained in the TORs included in the PIM.</li> <li>● For capacity development activities under sub-component 3.2, the PCU will be expected to work through local service providers, under ring-fenced financial management and procurement arrangements.</li> <li>● The PCU will be represented at the Central, State, County levels and will be expected to ensure i) technical alignment with the PDR and Government policy and legal frameworks, ii) achievement of the overall targets and iii) ensuring sustainability of strategic investments of a public good nature.</li> <li>● Core investments will take place at the County and Payam (Village) levels, with Payam Development Committees having a critical role to approve Community Development Plans, while County Development Committees will play a critical role in validating the County Development plans and identifying strategic infrastructure.</li> <li>● The CDD approach empowers communities to plan and implement investments, and relevant Operations and Management capacities will be built throughout programme implementation at the County, Payam and Community levels.</li> </ul>		
<b>M&amp;E arrangements</b>	<b>High</b>	<b>Moderate</b>
<p><b>Risk(s):</b> M&amp;E capacity, processes and systems remain weak in the Ministry of Agriculture and Food Security (MAFS) resulting in a limited ability to monitor, validate, analyse and communicate results, capture lessons, and adjust implementation to seize opportunities and take corrective actions in a timely manner.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>● The IA will be responsible for all M and E and reporting for all of SSLRP, except Component 3.2. Full details of the M and E requirements are contained in the detailed ToR for recruitment of the IA.</li> <li>● The GoSS PCU will oversee the IA, undertake field verification missions, review M&amp;E reports and submit for approval to the two GoSS oversight bodies, the National Technical Committee (NTC) and the National Advisory Committee (NAC).</li> <li>● IFAD will supervise SSLRP through a technical start-up and 6-monthly and annual supervision missions. Where visits by international staff are not possible, IFAD will engage Third Party Monitoring including through independent consultants and partners such as FAO-DPI</li> <li>● Component 3.2 will provide capacity-building support to the PCU to build capacities in M&amp;E</li> </ul>		
<b>Procurement</b>	<b>High</b>	<b>Substantial</b>
<b>Legal and regulatory framework</b>	<b>High</b>	<b>Moderate</b>
<p><b>Risk(s):</b> South Sudan adopted a legal and regulatory framework for procurement, but its application is limited. In particular, the Public Procurement and Asset Disposal Act was approved in 2018, there is need to update, validate and issue Public Procurement Regulations,</p>		

Risk Categories and Subcategories	Inherent	Residual
<p>and prepare standard Procurement Tender documents in line with the Procurement Act 2018. The MoFEP does not enforce the provisions under the interim Public Procurement and Property Disposal Act of 2018, in particular the provision that competitive procurement methods are the preferred option above specified thresholds. The government also lacks a system to generate substantial and reliable coverage of key procurement information, or does not make key procurement information available to the public. Tendering opportunities are publicized, but the same cannot be said about public procurement plans, contract awards and decisions on complaints (though, according to the PPU, no complaints have been registered). No standard bidding documents exist. The Government has requested to implement the capacity development activities for Sub-component 3.2, as they relate to the value of IFAD's loan to GoSS on highly concessional terms.</p>		
<p><b>Mitigations:</b> IFAD's Project Procurement Framework in its entirety will apply (Project Procurement Guidelines, Procurement Handbook and Standard Procurement Documents) both for activities carried out by the IA and under subcomponent 3.2 where activities may be carried out directly by the PCU. SSLRP shall advertise all activities on a dedicated site. The use of IFAD's Contract Monitoring Tool shall ensure publication on IFAD's Project Procurement site of all contracts entered into. The ongoing PFM reforms (supported by IMF and WB) are also focused on developing the requisite Public Procurement Regulations, and standard Procurement Tender documents in line with the Procurement Act 2018, and will roll out dissemination and training at central and local government level, within a time frame of 1 year. Procurement for component 3.2 will be undertaken by the GoSS. The programme will also benefit from the BUILD PROC grant that will be rolled out in the region in 2021 and will target programme and Government staff with a tailored procurement certification programme. Specifically for sub-component 3.2, implemented by GoSS, procurements will follow IFAD's project procurement framework and prior review thresholds are set at US\$20 000 for all procurement activities. The NOTUS system will be used with quarterly procurement reviews and a dedicated IFAD TA supporting procurement activities. All contracts will be managed through the IFAD ICP contract monitoring tool. Most service providers will be paid through direct payments.</p>		
<b>Accountability and transparency</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk(s):</b> The Country Corruption Perception Index score assigned by Transparency International is high at 12 (in a scale from 0 to 100). Articles 56 and 57 of the Interim Public Procurement and Disposal Regulations (IPPDR) provide for a mechanism for submitting complaints. However, there is no independent procurement complaints body, since the PPU is the last port of calls for submitting complaints, according to the IPPDR. In fact, the PPU is not technically fully independent in terms of handling procurement complaints, as it is involved in the process of procurement approvals above the threshold. In practice, complaints are not submitted in any formal way. As a result, it is not possible to assess whether authorities address complaints according to the regulations.</p>		



<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<p><b>Mitigations:</b> All procurement entities, as well as bidders, suppliers, contractors, consultants and service providers, shall observe the highest standards of ethics during the procurement and execution of contracts financed under IFAD funded projects, in accordance with IFAD's Project Procurement Guidelines and the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations shall apply to all projects, vendors and third parties, in addition to the relevant national anti-corruption and fraud laws. IFAD can strongly encourage government through policy dialogue to establish an autonomous authority tasked with addressing procurement complaints and with debarring suppliers, contractors or consultants from participating in public procurement.</p>		
<b>Capability in public procurement</b>		<b>No risk envisaged</b>
<p>Programme will be implemented through a non government implementation agency. IFAD Project Procurement Framework will be adopted in its entirety.</p> <ul style="list-style-type: none"> <li>● Procurement in SSLRP will exclusively follow IFAD's Project Procurement Guidelines, IFAD's Procurement Handbook and IFAD's Standard Procurement Documents due to the legal and regulatory weaknesses highlighted in the PRM.</li> <li>● All contracts will be managed through the IFAD ICP contract management module.</li> <li>● Most service providers will be paid through direct payments</li> <li>● IFAD prior review thresholds will be US\$20 000 for all procurements. The NOTUS system will be used.</li> <li>● An IFAD TA will support the procurement activities.</li> </ul>		
<b>Public procurement processes</b>	<b>High</b>	<b>Substantial</b>
<p><b>Risk(s):</b> South Sudan adopted a legal and regulatory framework for procurement, but its application is limited. The 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 above specified thresholds. The government also lacks a system to generate substantial and reliable coverage of key procurement information, or does not make key procurement information available to the public. Tendering opportunities are publicized, but the same cannot be said about public procurement plans, contract awards and decisions on complaints (though, according to the PPU, no complaints have been registered). No standard bidding documents exist.</p>		
<p><b>Mitigations:</b> All procurement posts will be awarded subject to IFAD's prior no objection. TORs for procurement positions are contained in the PIM. All procurement activities will be carried out in accordance with IFAD's Project Procurement Framework, hence risks will be highly mitigated</p>		
<b>Financial Management</b>	<b>High</b>	<b>Moderate</b>
<b>Organization and staffing</b>	<b>High</b>	<b>Moderate</b>
<b>Risk(s):</b>		

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<p>The risk that the implementing Agency (VSF Germany) and the Lead agency (MAFS) does not have the necessary number of adequately qualified and experienced financial management staff resulting into limited ability to meet the functional needs of the programme; The risk that assigned staff from both the PCU and VSF Germany do not have previous experience with IFAD or donor financial management requirements resulting into sub optimal financial management; and The risk of high staff turnover affecting continuity and creating a lengthy learning curve/slowing down implementation of the programme.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>•IFAD will review the qualifications and experience of the financial management staff assigned to the programme from time to time (including staff changes) to ensure that staff with the requisite qualifications and experience are assigned to the programme;</li> <li>•Recruitment of qualified and experienced staff in programme financial management by the service provider (VSF Germany) and will be part of a contract between GOSS and the service provider;</li> <li>•In the event of failure to recruit qualified and experienced staff, sourcing of Technical Assistance (Local or International) will be considered; and</li> <li>•Provide continuous capacity building, covering among others, IFAD financial management procedures/requirements.</li> <li>•VSF Germany will be required to present staff with requisite qualifications and experience to implement the programme</li> </ul>		
<b>Budgeting</b>	<b>High</b>	<b>Moderate</b>
<p><b>Risk(s):</b></p> <p>The risk that budgeted expenditures are not realistic, not prepared or revised on a timely basis, ineligible costs and reallocation of programme funds and slow implementation progress due to low absorption of funds; There is a risk that SSLRP budget calendar will affect timeliness of approval of the AWPB as it is not aligned to IFAD programme budget submission requirements; and There is a risk of poor budget monitoring and control arising out of failure to post the budget in the accounting system, budgets not executed in an orderly and predictable manner resulting in funds not being available when needed as the PMU has been using MS Excel for accounting and reporting.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>•Budget framework/procedures including budget timetable to be included in the PIM that will be updated by SSLRP;</li> <li>•The programme accounting software to be coded in a manner that facilitates computerized budget monitoring and control;</li> <li>•Proper treasury management with monthly management reviews that include addressing causes of budget variances;</li> <li>•Timely preparation of realistic budgets based on the implementation experience of previous experience; and</li> <li>•Budget figures to be posted in the accounting software to facilitate budget monitoring and control.</li> </ul>		
<b>Funds flow/disbursement arrangements</b>	<b>High</b>	<b>Substantial</b>

Risk Categories and Subcategories	Inherent	Residual
<p><b>Risk(s):</b> The risk that funds will disburse with delays due to cumbersome treasury arrangements and inability of programme implementing partners and service providers to justify advances, resulting in delayed withdrawal applications and implementation; The risk that funds transferred to the GOSS and service providers will be misused as a result of the current high corruption perception or misappropriated due to the current economic situation characterized with liquidity problems; The risk that the value of funds transferred from foreign currency accounts to local currency accounts (SSP) will be eroded due to the volatile exchange rate regime; The risk that value for money will not be realized from transactions denominated in SSP as suppliers/contractors/service providers base their quotations on a parallel exchange rate which has been between three to five times higher than the official exchange rate; The risk that GOSS position that government resources should be budgeted for and spent in SSP is extended to cover external financed projects; and The risk that the GOSS will not have adequate liquidity to meet its counterpart contribution affecting/delaying implementation.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>•Ring fenced bank accounts will be opened, both at the MAFS and VSF Germany, one in USD and another in SSP.</li> <li>- Revolving account mechanism will be used for both fund to VSF Germany and MAFs based on quarterly releases tagged to approved AWPB</li> <li>•Most transactions entered into both at service provider level and MAFS/PMU level will be by direct payments;</li> <li>•Transactions shall be entered into in USD and as far as practicable aggregate procurements to benefit from use of USD for transactions and direct payments; and</li> <li>•Transfers to the SSP accounts will be limited to few items, where expenditure is incurred in small amounts.</li> </ul>		
<b>Internal controls</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk(s):</b> The risk that appropriate controls over programme funds at MAFS/PMU and VSF Germany are not in place, leading to the inefficient or inappropriate use of programme resources: This constitute the risk of absence of control over funds transferred to IA (VSF), working advances, segregation of duties both at PMU and IA, insufficient approvals, misuse of assets, poor cash management – including procurement of common use items using petty cash and poor contract management/including monitoring leading to misuse of, misallocation and misappropriation of programme resources. GOSS has indicated that where third party implementation arrangements are used with no oversight and supervision roles by government, there is no control over programme resources on part of government; and The risk that internal audit arrangements are insufficient or do not exist due to lack of resources to provide assurance on the effectiveness of internal control systems and processes leading to unreliable internal control systems and non-compliance with the financing agreement, LtB, PIM and GoSS requirements. Currently, whereas an Internal Audit Unit exists with personnel posted from MOF, there unit is not staffed – also, the mission has not assessed arrangements at IA(s) as selection exercise had not been completed</p>		

Risk Categories and Subcategories	Inherent	Residual
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>•SSLRP to develop a financial management procedures manual and guidelines as part of the PIM. These include segregation of duties, posting of transactions, record keeping, authorisation of transactions, checking, bank reconciliations, and physical security of assets including cash, approval arrangements, financial monitoring and reporting;</li> <li>- Clear and concise guidelines on grant making and accountability to be established and implemented by VSF Germany.</li> <li>- Include a performance audit tagged to a disbursement target for the grants and will be a condition in the FA</li> <li>•Regular reconciliations of bank accounts, both foreign and local currency accounts by both PMU and IA. The bank account reconciliations will be part of the Interim Financial Reports;</li> <li>•Ministry of Agriculture and Food Security (MAFS) internal audit function will provide internal audit services to the programme based on an annual audit plan. The function will check compliance and provide assurance of the effectiveness of control processes and procedures both at PMU and IA (working with IA Internal audit function); and</li> <li>•In the absence of the services from MAFS, a service provider will be engaged on contract basis to provide internal audit services and reports periodically shared with IFAD.</li> </ul>		
<b>Accounting and financial reporting</b>	<b>Substantial</b>	<b>Moderate</b>
<p><b>Risk(s):</b></p> <p>The risk that the accounting systems including policies and standards are not integrated and reliable, leading to inaccuracies in financial records, and that reasonable records are not prepared, issued and stored systematically, leading to lack of informed decision making; The risk of inadequate accounting for in-kind contribution from beneficiaries and GoSS in-kind contribution in the form of office space, staff time, tax exemptions, among others due to poor valuation methods and documentation; and Due to parallel implementation and accounting at PMU and IA levels, there is a risk of absence of financial management information systems or computerized accounting required to facilitate generation of timely reports for programme management decision making and those required by IFAD. The accounting at IA level has not been assessed as IA had not been selected while the accounting and financial reporting for the current projects under PMU is done using MS Excel – this is cumbersome, prone to errors and manipulation. This also limits production of timely and accurate reports, prone to data loss and does not provide audit trail.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>•Both the PCU at MAFs and VSF Germany shall deploy an off-the shelf accounting software for accounting and financial reporting capable of reporting by category, component, activity and financier as required by IFAD. This will be a requirement to both at PMU and VSF Germany.</li> <li>•Making acquisition and installation of accounting software a condition for disbursement;</li> <li>•Acquisition of the accounting software to be part of start-up activities to mitigate against any possible delays in implementation of the software;</li> </ul>		

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<ul style="list-style-type: none"> <li>•Training of financial management staff in accounting including use of the accounting software;</li> <li>•SSLRP to submit Interim Financial Reports (IFRs) to IFAD on a semi annual basis following IFAD IFRs templates; and</li> <li>•Regular reconciliation of accounting records to accounting software data.</li> </ul>		
<b>External audit</b>	<b>High</b>	<b>Moderate</b>
<p><b>Risk(s):</b> The risk that independent and competent oversight of the programme financial statements is not in place or performed timely leading to possible misrepresentation of the financial results and/or suspension or other remedies due to compliance breaches; The risk that the Audit Chamber (Auditor General) which is the Statutory Audit Institution (SAI) of the GoSS may not have capacity to provide audit services to the programme due to limitations of staff strength (numbers) and skill. Presently, the WB funded projects are audited jointly between the Audit Chamber and a private audit firm in recognition of absence of capacity (skill) with a view that this facilitates develop the capacity of the audit chamber. The capacity of the audit chamber has not been assessed during the design mission; The selected implementing partner/service provider, in where their systems are relied upon do not adequately address IFAD project statutory requirements; and The risk that the auditor will not sufficiently address IFAD programme audit requirements, as included in the IFAD Handbook for Financial Reporting and Auditing for IFAD funded projects making the quality of the audit unsatisfactory.</p>		
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>•Use of standard TOR for audit engagements as spelt out in the IFAD Handbook for auditing and financial management for projects. The prepared TORs are subject to IFAD clearance;</li> <li>•Use of private audit firm to audit financial statements with consideration use of firms in neighboring countries;</li> <li>•Implementation support from IFAD to facilitate timely preparation for the audit exercise;</li> <li>•Inclusion in the FA a provision that the financial statements of the programme (both at PMU and IA) are subject to audit on an annual basis;</li> <li>•Draft financial statements (consolidated for PMU and IA) for audit to be shared with IFAD no later than two months following the end of the financial year;</li> <li>•Consideration of Audit Chamber as an auditor of the programme be done only after an assessment of the audit chamber of their capacity to audit the programme is completed over time; and</li> <li>•Audited financial statements, together with the related management letter to be submitted to IFAD no later than six months following end of the financial year.</li> </ul>		
<b>Environment, Social and Climate Impact</b>	<b>Low</b>	<b>Low</b>
<b>Biodiversity conservation</b>	<b>Low</b>	<b>Low</b>

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
<p><b>Risk(s):</b> ESMF identifies the activities as potentially having an impact on local biodiversity - construction and/or rehabilitation of water infrastructures, rehabilitation/upgrading/construction of roads, construction of processing and storage facilities and expansion of agricultural land</p>		
<p><b>Mitigations:</b> In line with the SECAP and ESMF frameworks, SSLRP will undertake relevant assessments to identify and potential negative impacts on biodiversity, and will integrate conservation and development objectives.</p>		
<b>Resource efficiency and pollution prevention</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk(s):</b> South Sudan's water resources are unevenly distributed both spatially and temporally, since water quantity varies substantially between years depending on periodic major flood and drought events. Water is held in perennial rivers, lakes and wetland areas, in seasonal pools, ponds, rivers, streams and extensive floodplains. There is increased pollution, reduced river flows, declining water tables in urban areas and both surface and ground waters are becoming contaminated</p>		
<p><b>Mitigations:</b> SSLRP will align with the ESMF, which includes materials on banned substances in terms of pesticides and herbicides, which are in any case will controlled by MoA/Regulatory Services SSLRP will explore options natural integrated pest management Green manuring will be practiced, while being cognizant of potential competing demands for these same materials</p>		
<b>Cultural heritage</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk(s):</b> The programme's construction activities may lead to conversion and/or loss of physical cultural resources during construction of infrastructures etc. Patriarchal norms may prevent women from participating and benefitting from programme activities. Secondly, there may be a risk of men taking over if women's economic activities increase in value and/or become more profitable. The same situation may lead to adults taking over youth assets and economic activities</p>		
<p><b>Mitigations:</b> SECAP2017 will be made available to the PMU at both central and county levels and sub-project development will be accompanied with the Environmental and Social screenings and ESMP preparation and implementation. GALS training will also be used to empower women to take up leadership positions, and address socio-economic dimensions. Simultaneously, community facilitators will be in close contact with beneficiaries to monitor use of asset and economic activity. The grievance redress mechanism (GRM) has been developed to address conflicts and grievances that may arise from programme interventions.</p>		
<b>Indigenous Peoples</b>	<b>Low</b>	<b>Low</b>

Risk Categories and Subcategories	Inherent	Residual
<p><b>Risk(s):</b> South Sudan has different tribes/ political parties that need to be taken into account by the programme implementation. Inequitable participation and delivery mechanisms insufficiently sensitive to the specific requirements and culture of IPs are possible risks.</p>		
<p><b>Mitigations:</b> The programme targeting strategy has a focus on the vulnerable in each programme area, which in turn is selected on the basis of multiple and explicit criteria. Align IFAD's strategies with South Sudan State of The Environment and Outlook report (2018) Communities will be engaged in a consultative and participatory manner through the FPIC process, while also ensuring that they provide consent to all interventions included in their action plans</p>		
<b>Community health and safety</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk(s):</b> There will be water retention//feeder road structure rehabilitation and/or construction, the exact dimensions of which are still to be determined but are expected to be under IFAD SECAP thresholds. SSLRP has a goal of improving nutrition wellbeing through and promotion of diversification of livelihoods thereby increasing household income. While this will have a positive impact on household health, some activities may have risks to the communities. For example, risks to the public during construction activities, gender issues and all forms of Gender-Based Violence, including Sexual Harassment (SH) and Sexual Exploitation and Abuse (SEA) COVID-19 has put significant pressure on already overburdened health and social service delivery systems, exacerbating the vulnerabilities of affected populations.</p>		
<p><b>Mitigations:</b> Qualified engineering consultants will do the designs and supervise the construction to ensure the infrastructure conforms to government health and safety guidelines and standards and that the same will be clearly documented. These structures will be inspected upon each supervision by a qualified team member. Through GALS, SSLRP will engage with both female and male household's members and promote campaigns for sensitisation on gender equality and against gender biases and GBV. The ESMP outlines a number of measures to be taken to mainstream health and hygiene considerations across all programme activities. These measures include food safety and awareness raising on COVID-19 precautions. Promotion of diversified and healthy diets is expected to build the immunity of beneficiary community to withstand the effects of COVID.</p>		
<b>Labour and working conditions</b>	<b>Low</b>	<b>Low</b>
<p><b>Risk(s):</b> Child labour is pervasive thus programme may exacerbate the exploitative labour practices (e.g. child labour), gender-based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the programme, including third parties and primary suppliers</p>		
<b>Mitigations:</b>		

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
The government has signed the relevant international treaties and regularly exchanges with ILO. IFAD will engage with ILO to potentially field joint technical assistance. The programme's ESMP will include safeguards to ensure that each technical lead and IA ensures that there are no exploitative labour practices (e.g. Child labour), gender based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the programme. The beneficiary feedback mechanism through surveys will include feedback on these aspects and a GRM mechanism in place will ensure this risk is minimized. Labour Intensive Public Works, where community members are expected to participate and be remunerated, will follow international standards and align with other agencies including World Bank remuneration standards.		
<b>Physical and economic resettlement</b>	<b>Low</b>	<b>Low</b>
<b>Risk(s):</b> Activities related to construction may cause temporary/permanent displacement of people. However, most of the impacts are localized to the project site, short term and most importantly can be avoided/reduced or mitigated by properly applying mitigation measures.		
<b>Mitigations:</b> The planned infrastructure (water supply, post-harvest infrastructure & road rehabilitation) will not lead to displacement of people, relocation, resettlement of people or even loss to farm fields. Community leaders will heavily be involved in the selection processes.		
<b>Greenhouse gas emissions</b>	<b>Low</b>	<b>Low</b>
<b>Risk(s):</b> The nature of the production system leaves no reason to believe that there will significant risks of GHGs apart possibly from small livestock		
<b>Mitigations:</b> Improved fodder will reduce the already low level of GHGs. The watershed conservation includes agroforestry which will actually reduce GHGs. No deforestation or additional biomass burning will result from programme activities		
<b>Vulnerability of target populations and ecosystems to climate variability and hazards</b>	<b>Moderate</b>	<b>Low</b>
<b>Risk(s):</b> Note: this refers to the risk from the programme in terms of inadvertently exacerbating the vulnerability of the population by promoting maladaptive practices.		
<b>Mitigations:</b> A climate risk and vulnerability Assessment has been prepared which covers climate vulnerability of the selected counties and also possible adaptation options. The programme provides for formation		



<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
of a user's committee to manage each of the constructed infrastructure. The committees will be trained in Organisation & Management and Operations & Maintenance for sustainability		
<b>Stakeholders</b>	<b>High</b>	<b>Substantial</b>
<b>Stakeholder engagement/coordination</b>	<b>High</b>	<b>Substantial</b>
<b>Risk(s):</b> Highly marginalised rural communities, and Government has inadequate capacity to reach communities Inadequate systems and processes for bottom-up planning and participatory approaches and weak voice of the rural poor in decision making. This is mainly due to the weak		
<b>Mitigations:</b> The Community Driven Development approach is the most effective approach for bottom-up planning and empowering communities to identify their challenges, define their priorities and participate in key decision making processes. In addition, SSLRP will work through local Government including County Development Committees and Payam (village) Development Committees, strengthen their capacities to ensure ownership and critical decision-making at the local levels. The PDO includes an outcome indicator on - beneficiary satisfaction with programme support services and empowerment, which will be monitored through the outcome surveys. SSLRP Comp 1 will strengthen Community Based Organisations to be able to plan and implement projects that will improve their livelihoods.		
<b>Stakeholder grievances</b>	<b>Substantial</b>	<b>Moderate</b>
<b>Risk(s):</b> Potential grievances around i) selection of project sites, ii) location of water infrastructure, iii) diversion of water upstream, iv) identification of beneficiaries and v)		
<b>Mitigations:</b> Implementation of IFAD's Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability Apply IFAD's targeting strategy, including transparency on selection criteria in the country. SSLRP will facilitate intensive public consultation with local communities and administrators, and representation from different groups including women and youth. SSLRP will carry out periodic conflict analysis in consultation with humanitarian agencies, such as UNHCR, WFP The Grievance Redress Mechanism (GRM) will be deployed to address any potential localized conflict, including deployment of Component 0 as needed.		
<b>Risks:</b> Potential grievances around water infrastructure and diversion of water upstream	<b>Moderate</b>	<b>Moderate</b>
<b>Mitigations:</b> • Undertake stakeholders' feedback sessions. • Government implements a bottom-up approach in the identification of investments, hence there is free and prior consent of the		

<b>Risk Categories and Subcategories</b>	<b>Inherent</b>	<b>Residual</b>
communities • Implementation of IFAD's Framework for Operational Feedback from Stakeholders: Enhancing Transparency, Governance and Accountability		