



**GOVERNMENT OF SOUTHERN
SUDAN**

**EXPENDITURE PRIORITIES &
FUNDING NEEDS**

2008 - 2011

Prepared for the 2008 Sudan Consortium

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Executive Summary

GoSS's estimated financing needs for the period 2008 – 2011 amount to \$11,258 million. These needs comprise \$6,369 million for the six top expenditure priorities and \$4,889 million for other priorities, including a provision for reserves.

The six top expenditure priorities are:

1. **Security**; *to develop an efficient and effective armed forces, to safeguard security & implement the CPA.*
2. **Roads**; *to rehabilitate road infrastructure, to promote socio-economic & private sector development.*
3. **Primary health care**; *to provide primary health care to improve the health status of the people of Southern Sudan.*
4. **Basic education**; *to provide equitable access to basic education.*
5. **Water**; *to increase access to safe water & sanitation.*
6. **Production**; *to improve rural livelihoods and income.*

The other priorities include the cost of delivering other priority activities identified in the ten GoSS Budget Sector Plans in areas such as Rule of Law, Accountability, Economic Functions and Social & Humanitarian Affairs, the running costs of GoSS institutions, including the salaries of all GoSS personnel, and inter-governmental fiscal transfers to State governments.

On current estimates, GoSS's revenues for the period 2008 – 2011 are insufficient to finance its needs. GoSS's revenues for this period are estimated to amount to \$8,662 million, with ninety- six percent of this (\$8,326 million) expected to come from oil revenues.

As a result, GoSS is seeking \$1,992 million in new pledges from donor partners for 2008 – 2011 to enable it to fund its needs in full. It would like this funding to be channelled as effectively as possible, in line with the principles of the GoSS Aid Strategy, by:

- ensuring that new pledges are directed to the priorities identified by GoSS;
- avoiding concentration of funding in certain areas;
- using harmonised funding & implementation mechanisms where possible; and
- availing projects for GoSS appraisal.

Based on analysis of the distribution of existing commitments, the document proposes the following guidelines for new donor pledges:

- 85% of new donor pledges should be directed towards the six top expenditure priorities, while the remaining 15% should be used to fund activities outside of the priority areas. This is in line with the current distribution of donor funding.
- Within the six top expenditure priorities, the greatest share of donor funding should go to roads, followed by DDR and health.

1. Introduction

This document sets out the expenditure priorities and funding needs of the Government of Southern Sudan for the period 2008-2011. It acts as an update to the Joint Assessment Mission (JAM) report of 2005, which established a series of costed targets for Southern Sudan for the period 2005 – 2011, in order to provide a framework for sustained peace, development and poverty eradication.

The JAM report was written before the Government of Southern Sudan was established. While it covered the entire Interim Period of the Comprehensive Peace Agreement (CPA), its costing and target-setting focused primarily on the first phase, from 2005-2007. Targets and preliminary cost estimates for the second phase, from 2008-2011, were also included in the JAM, but they were not provided to the same level of detail.

It is now three years since the JAM was published, and the Government of Southern Sudan (GoSS) has been in place for almost two and a half years. At this mid-point in the Interim Period, it is appropriate to ‘update’ the JAM, by providing a revised set of targets and costings for the South for the period 2008-2011, taking into account the progress made between 2005 -2007.

This document broadly follows the same approach as the JAM. It sets out the Government of Southern Sudan’s objectives for 2011 in priority areas, and provides indicators against which progress in achieving these objectives can be measured. It also provides annual costing estimates for 2008 - 2011, based on the cost of achieving the objectives in the priority areas and the Government’s other needs. Finally, based on the projected level of Government revenue from 2008-2011, and committed donor funding, it also estimates the ‘funding gap’ for which assistance is sought from partners.

Nonetheless, this document differs from the JAM in several ways. Firstly, it uses the Government’s own planning framework as its organising structure. The Government of Southern Sudan has grouped all Government institutions into ten groups for planning & budgeting purposes, to enable its plans to translate clearly into budget allocations. These ten Budget Sector Working Groups¹ are consequently more functional than the eight ‘clusters’ originally used in the JAM, because they are based on the institutional framework of the Government of Southern Sudan, and are mapped to the annual budget.

Secondly, this document identifies a focused set of targets in Government’s six top expenditure priority areas, instead of identifying targets in all areas of activity. It is widely acknowledged that JAM did not provide a clear prioritisation of the numerous targets it set for 2005-2007, which meant that it was subsequently limited in its ability to guide expenditure allocations. However, the narrower focus of this document as compared to the JAM does not mean that the Government is without targets in other priority areas. They are covered in the relevant sectoral plans prepared by the Budget Sector Working Groups.

¹ The ten sectors are Accountability, Economic Functions, Education, Health, Infrastructure, Natural Resources, Public Administration, Rule of Law, Security, and Social & Humanitarian Affairs

Thirdly, the document provides some reflections on aid effectiveness, and indicates the way in which the Government would like donor partners to channel their funding to help close its financing gap over the period 2008-2011.

Finally, because this document does not provide targets in all priority areas, it should not be considered a Strategic Plan for the South for 2008-2011. The ten Budget Sector Working Groups have already identified their priority activities for the period 2008-2010, and will update them to 2011 during the current planning & budget cycle. These plans will be used as a basis for developing a Strategic Plan for Southern Sudan to 2011, which will also act as the South's Poverty Eradication Strategy. This document, however, provides the framework for prioritising funding allocations for the Strategic Plan and the annual GoSS Budget, as well as for donor funding.

2. Review of situation in Southern Sudan in 2005

In 2005 Southern Sudan had just emerged from a 22-year civil war that had led to huge loss of life and displacement of an estimated 4.5 million people. There were large numbers of irregular forces that had not been integrated, disarmed or demobilised. There were consequently high levels of insecurity in much of the South. The formal legal sector had almost completely ceased to function and there was near total reliance on customary law.

The war had wreaked huge damage on the limited infrastructure in the South, and vital transport routes were mined. The private sector was decimated by the limited access to markets. Several currencies were in operation and there was no access to formal credit.

Agricultural and animal production, where not disrupted by displacement or mining, occurred at much lower yields than in neighbouring countries. Access to clean water and adequate sanitation was extremely limited. Southern Sudan had one of the highest maternal mortality rates in the world and extremely high under-five mortality and under-five chronic malnourishment rates. Large areas of the country had virtually no access to any health services.

There was virtually no education infrastructure; an entire generation missed out on proper education. A 2006 survey found that only 16% of Southern Sudan's learning spaces were permanent structures. The number of pupils per school was extremely high across the country, but also varied enormously. The overwhelming majority of teachers were untrained volunteers.

There were no institutions with the capacity to take on these challenges. Aid assistance was fragmented and mainly humanitarian. Capacity in both the Government of Sudan (GoS) Southern Sudan Coordinating Council (CCSS) and the SPLM Civil Authority for New Sudan (CANS) was extremely weak. There were no basic systems of public administration or for the administration of public finances. Likewise, there were no systems and little capacity for carrying out procurement, and no audit function for tracking the use of funds.

3. Progress 2005 – 2007

Southern Sudan has made a considerable amount of progress since 2005 in many areas. Perhaps one of the greatest achievements has been the maintenance of peace and security in almost all parts of the South since the signing of the CPA. Fifty-nine thousand troops from twelve armed groups have been successfully integrated into the SPLA and the GoSS Organised Forces², and the process of demobilisation of surplus soldiers from the SPLA is now expected to begin.

The maintenance of peace & security has enabled the South to make significant progress in opening up road access and de-mining of key transport routes. Over 2,000km of roads have been opened up, and public transport services are now available on almost all major routes in Southern Sudan. Well over one million Internally Displaced People (IDPs) and refugees have returned to the South since 2005, the majority of them spontaneously, and preparations for a population Census are well underway.

Primary school enrolment has tripled since 2005, with almost a million pupils now attending school, a third of whom are girls. Emergency pharmaceuticals have been delivered to over 1,000 health facilities, 75% of all children aged under 15 are now vaccinated against measles, and almost two million bed nets have been distributed for prevention of malaria. Almost 3,000 additional boreholes and water points have been either rehabilitated or constructed, bringing clean water to an additional 1.4million people. Between 15-20% of the rural population is now estimated to have access to clean water.

Governance structures in the South are now fully established. The Southern Sudan Legislative Assembly and ten State Assemblies are in place. The Interim Constitution of Southern Sudan has been adopted, and ten State constitutions have also been passed. The Judiciary has been established, and Government structures and institutions are in place at GoSS, state & county level. GoSS has completed the challenging task of integrating the CCSS and CANS administrations into one, unified Government structure, and basic systems for planning, budgeting and financial management are in place.

4. Challenges 2008 - 2011

In spite of the progress which has taken place since 2005, Southern Sudan faces enormous challenges in the period 2008 – 2011. First and foremost, it faces considerable political challenges, particularly with respect to continued implementation of the Comprehensive Peace Agreement, peaceful and timely conduct of elections in 2009, and the referendum on the future status of the South in 2011. Maintenance of peace & security will also remain a considerable challenge, particularly with respect to successful demobilisation of significant numbers of military personnel, peaceful civilian disarmament, and a reduction in the size of the Organised Forces, whose numbers have risen to unsustainable levels as a result of the transfer of personnel across from the SPLA and integration of other armed groups.

² The Organised Forces comprise the Police Service, the Prisons Service, the Fire Brigade and the Wildlife Force

Although all governance structures in the South are now in place, their scope and efficiency requires strengthening. Challenges on the legal side include integrating customary laws into a constitutionally-based judicial system, increasing access to justice, and ensuring efficient management of all rule of law institutions, staffed by appropriately trained personnel. On the side of the legislature, the pace and quality of law-making remains a significant challenge, and the legislature's executive oversight function requires considerable strengthening. Executive institutions at all levels of Government face severe capacity constraints, in spite of considerable, and costly, over-staffing. Lack of adequate capacity across all levels of Government has also hindered the effective implementation of the decentralised system of governance envisaged in the Interim Constitution of Southern Sudan. Public Service reform is therefore an emerging challenge for the second half of the Interim Period. Likewise, GoSS has set itself the objective of progressively transferring capacity, and responsibility for programme implementation, down to State and County level, commencing 2009.

In spite of the progress made since 2005, service delivery remains extremely limited. Less than 35% of the population have access to basic health care, less than 20% have access to clean water, and only 40% of children are enrolled in primary school. Only a small proportion of key service delivery personnel, such as teachers and health workers, are adequately trained. Improving both the scope and quality of service delivery will remain a critical challenge in 2008 – 2011. In addition, Southern Sudan is a huge land-locked area with a relatively scattered population and poor infrastructure and communications. This raises the cost of service delivery, and creates additional logistical challenges in ensuring that essential work takes place during the dry season. It also puts a premium on the need for rapid progress in rehabilitating transport infrastructure.

The period 2005 – 2007 marked Southern Sudan's transition from a situation of humanitarian dependence to one of early recovery. For recovery to take root and translate into development, the period 2008-2011 will require a considerable focus on the development of sustainable livelihood opportunities, particularly for rural communities, and those receiving large numbers of returnees. Lack of sustainable livelihood opportunities is likely to increase insecurity, and to undermine the process of demobilisation of military personnel. The challenge of developing sustainable livelihood opportunities goes hand in hand with the need for rehabilitation of transport infrastructure, as improved connectivity is essential to the development of markets.

Finally, the South faces the challenge of unsustainable dependence on oil revenues. Oil currently accounts for 99% of Government revenues, yet, on current projections, production from existing wells will peak by 2010, and decline thereafter. The South therefore needs to develop its non-oil economic base, and its capacity for non-oil revenue management. In addition, it needs to improve its capacity for financial management, so that available resources are used efficiently, and for their intended purpose. Current challenges include weak capacity for procurement, lack of adequate accountability, particularly for fiscal transfers, limited effective financial oversight and weak payroll management.

5. Expenditure Priorities for 2008 – 2011

Each of the ten GoSS Budget Sector Working Groups has defined the objectives and priority activities for their Sector for the period 2008 – 2010. These sector objectives have been adopted by the seven State-level Budget Planning Committees which have been set up in each State, based on the ten GoSS Budget Sector Working Groups.

In total, the Budget Sector Working Groups have identified fifty-four priority activities for 2008-2010, covering a wide range of Government interventions and activities, from social service delivery, to infrastructure rehabilitation, promotion of production, rule of law, public administration and institutional capacity building. A summarised list of the sector activities, and the respective sector objectives, is set out in Annex 1. The Sectors have also identified the challenges they face in meeting their objectives. These include lack of enabling legal frameworks, lack of adequately-trained personnel, lack of appropriate infrastructure, and funding constraints. A list of the main challenges faced by each Sector is set out in Annex 2.

The objectives and priority activities of the ten Budget Sector Working Groups provide a clear prioritisation of interventions within each Sector. However, they do not provide a prioritisation of activities *across* sectors. A prioritisation of activities across sectors is essential for guiding allocation of resources in the annual budget, and for guiding the Government's funding requests to partners.

The Government of Southern Sudan has therefore undertaken an exercise of identifying the six top expenditure priorities emanating from the ten Budget Sector Plans. These are the priorities which the Government believes should take first call on budgetary resources over the period 2008 - 2011. The other priorities within the Sector Plans remain important, and valid, but either require less funding or command less priority in the allocation of resources.

The six top expenditure priorities were identified by assessing the contribution of the priority activities in the Budget Sector Plans to three key development criteria (good governance; private sector development; improving the quality of life of the poor), and three political priorities (security; infrastructure; basic service delivery).

The Government of Southern Sudan's six top expenditure priorities for 2008 – 2011 are:

1. **Security**; *to develop an efficient and effective armed forces, to safeguard security & implement the CPA.*
2. **Roads**; *to rehabilitate road infrastructure, to promote socio-economic & private sector development.*
3. **Primary health care**; *to provide primary health care to improve the health status of the people of Southern Sudan.*
4. **Basic education**; *to provide equitable access to basic education.*
5. **Water**; *to increase access to safe water & sanitation.*
6. **Production**; *to improve rural livelihoods and income.*

The Government has undertaken a consultative process to identify relevant targets in each of these areas for 2011. It has also estimated the cost of achieving these targets.

5.1. Security: Developing an efficient and effective armed forces

GoSS has set the following **targets** for security for 2011:

- Increase the efficiency, effectiveness and management capacity of the SPLA (including completion of reorganisation and reintegration of OAGs).
- Undertake construction and rehabilitation of the physical infrastructure of the SPLA and equip them with necessary equipments, including but not limited to office, transportation, communications etc.
- Implement an effective and sustainable DDR program as stipulated in the CPA.

The **overall cost** of meeting these targets is estimated at **\$2,403 million**, of which \$403 million is for DDR.

GoSS faces a number of **challenges** in developing an efficient and effective armed forces. Firstly, continued insecurity in the border areas and from un-integrated militias remains a significant problem, undermining the process of security sector reform. A large number of combatants need to be demobilised from the SPLA, and implementation of DDR is behind schedule, as a number of delays have been encountered by UNDDR and GoSS. In addition, the transfer to date of significant numbers of SPLA personnel into the GoSS Organised Forces has caused significant challenges for GoSS, outside the scope of the DDR programme. The issue of the size, cost & efficiency of the Organised Forces, and assessment of retraining and retrenchment needs, will need to be addressed through parallel interventions.

The main **activities** that have been identified to meet the targets are:

- Development of a comprehensive framework for security sector reform.
- Demobilisation and reintegration of 90,000 personnel from the SPLA, including a mix of special needs groups and the able-bodied.
- Reintegration of 1,200 children who have been received by the SPLA from other armed groups.

A total of 25,000 adult ex-combatants are expected to commence the DDR process in 2008, mainly from special needs groups. Pre-registration is already ongoing. Another 35,000 ex-combatants are expected to register in 2009, and a further 30,000 in 2010. All in all, the adult target group is estimated at 90,000 individuals, comprising a mixture of special needs groups and the able-bodied.

The detailed costing for security has mainly focused on estimating the cost of demobilising and reintegrating 90,000 personnel. It is expected that the resulting savings realised from the SPLA salary bill can be used to increase the efficiency, effectiveness and management capacity of the SPLA, construct and rehabilitate physical infrastructure, and provide equipments.

The DDR process has four main steps; disarmament, demobilisation, reinsertion and reintegration. Disarmament and demobilization activities include disarmament verification, registration and distribution of ID cards to ex-combatants, and counselling. Reinsertion refers to the provision of a basic package to ex-combatants, to assist them during their return to their communities. It includes cash support (including the cost of transport back to the home community), non-food items such as a radio and mosquito net, and basic food supply for 3 months. Longer run reintegration is a more complex process, for which support is provided in kind, both for individuals, to improve their livelihoods skills, and their communities.

The cost estimates for adult DDR assume that the cost of disarmament, demobilisation and reinsertion of adult combatants amounts to \$680 per person, while the cost of reintegration is estimated at \$3,000 per person, including the support provided to their communities. The total cost estimate for DDR of 90,000 ex-combatants between 2008 - 2011 is estimated at \$331m.

Child DDR programs are expected to deliver support through communities, rather than being targeted at individuals. The child reintegration programme is expected to focus on enhancing the children's access, in all ten states, to psycho-social support, formal and informal education opportunities and formal and informal vocational and livelihoods skills training opportunities. Family Tracing and Reunification (FTR) mechanisms will also be improved to support reintegration. The total cost of child DDR is estimated at \$68m.

In addition, other smaller areas of support envisaged for DDR include monitoring & evaluation, development of a DDR database and capacity building for the War Veterans Commission.

In total, the cost of this expenditure area, including both annual budget financing to the SPLA and the cost of the DDR process, amounts to \$2,403 million over the period 2008-2011, as set out in Table 1 below:

Table 1: Total Cost of the Security Priority (US\$ millions)

	2008	2009	2010	2011	Total
Modernisation of the SPLA	500.0	500.0	500.0	500.0	2,000.0
Reinsertion package	17.0	23.8	20.4	0.0	61.2
In-kind reintegration support	67.5	67.5	67.5	67.5	270.0
Database and monitoring & evaluation	1.0	0.5	0.4	0.3	2.1
Capacity building support	0.8	0.5	0.3	0.2	1.9
Child DDR programme	18.8	15.0	15.0	18.8	67.6
Total	605.1	607.3	603.6	586.8	2,402.8

The cost of disarmament, demobilisation and reinsertion of adult combatants, amounting to \$61m is expected to be met by the United Nations Department for Peace Keeping Operations (DPKO).

5.2. Roads: Rehabilitating road infrastructure

GoSS has set the following targets for roads for 2011:

- Rehabilitate and upgrade roads to connect all state capitals to one another, to areas of production, Northern Sudan & to neighbouring countries.
- Increase the contracting and procurement capacity of the Ministry of Transport and Roads for both construction and maintenance.
- Develop a Rural Roads Strategy and be ready to start its implementation.

The overall cost of meeting these targets is estimated at \$1,799 million.

The main challenge, after twenty years of war, relates to the almost complete lack of any appropriate road infrastructure in Southern Sudan. The scale of the needs are enormous. Full rehabilitation of road infrastructure will take years to complete, so prioritisation of activities according to available funds is critical. In addition, GoSS faces high unit costs of road construction, due to logistical difficulties, and rising maintenance requirements, as a result of increasing traffic volumes. It also needs to enhance its institutional capacity to manage road procurements.

The main **activities** that have been identified to meet the targets include:

- Constructing, upgrading and maintaining 2,373km of priority roads to either double bitumen or gravel standards (first priority roads).
- Commencing construction of a further 3,128 km of roads to gravel standards (second priority roads). Table 2 sets out the roads and their distances.

Table 2: Roads to be constructed

	Distance (km)	Cost (\$m)	Standard
First Priority Roads	2,373	1,047	
Juba-Yei-Kaya	250	303	Double Bitumen
Juba-Torit-Kapoeta-Narus-Nadapal	360	106	Gravel
Juba-Mundri-Mvolo-Wau	649	191	Gravel
Nimule-Juba	195	237	Double Bitumen
Pochalla-Pibor-Bor-Juba	541	102	Gravel
Jikou-Nasser-Malakal	378	108	Gravel
Second Priority Roads	3,128	747	
Faraksika-Yambio	176	49	Gravel
Yambio-Tambura	185	52	Gravel
Wau-Aweil	150	42	Gravel
Aweil-border	120	34	Gravel
Malakal-Renk	340	95	Gravel
Rumbek-Bentiu	340	95	Gravel
Tambura-Wau	256	128	Gravel
Yei-Mundri	250	4	Gravel
Mabior-Malakal	280	79	Gravel
Wau-Abeyi	318	84	Gravel
Wau-El Fiffi	713	84	Gravel
Total	5,501	1,794	

The costing for roads uses standard unit costs per kilometre for different standards of construction, as well as unit costs for maintenance and de-mining. Road construction to double bitumen standard is estimated at \$1.2m per kilometre, while gravel construction is estimated at \$0.28m per kilometre. Maintenance is estimated at \$15 per kilometre, and de-mining at \$5 per kilometre.

In total, the cost of this expenditure area amounts to \$1,799 million over the period 2008-2011, as set out in Table 3 below:

Table 3: Total Cost of the Roads Priority (US\$ millions)

	2008	2009	2010	2011	Total
First priority roads	399.8	442.4	167.4	37.5	1,047.1
Second priority roads	0.0	0.0	294.8	452.3	747.1
Rural roads strategy	0.5	1.0	1.0	0.5	3.0
Procurement capacity building	0.4	0.5	0.5	0.5	1.9
Total	400.8	443.9	463.7	490.8	1,799.1

5.3. Health: Providing primary health care

GoSS has set the following **targets** for primary health care for 2011:

- Increase basic health service coverage to 50% of the population.
- Reduce infant and maternal mortality rates by 25%.
- Increase routine vaccination coverage from about 30% of the population to 90%.
- Increase the awareness of HIV/AIDS from less than 10% of the population in 2007 to 90% of the population.

The **overall cost** of meeting these targets is estimated at **\$825 million**.

The main **challenges** GoSS faces in meeting providing primary health care relate to the lack of availability of adequately-trained health care personnel, limited health infrastructure, and the high cost of health service delivery. Substantial investments are required to meet the targets in this priority area. To absorb increased funding effectively, the healthcare system needs to be expanded by providing more skilled health workers and equipped health facilities. Finding appropriately skilled staff is a major challenge, and there is a particularly severe shortage in the supply of higher and mid-level health staff. Efforts need to be made to attract and retain trained staff, whilst maintaining programmes to increase the skills of existing staff.

Some of the major **activities** required to deliver the targets by 2011 include:

- Provide basic health services to approximately 6 million people.
- Provide routine immunisation to half a million children under the age of one per year.
- Reach almost 9 million people through vaccination campaigns.

- Distribute over 2.5 million bed nets.
- Increase the stock of functioning health facilities by 10% from the current baseline of 1063, by constructing/rehabilitating and equipping 9 hospitals, 40 primary health care (PHC) centres, and 60 PHC units.
- Increase the number of qualified health workers by 4,000, through a combination of in-service and formal training.
- Sensitise 25% of all primary teachers and Alternative Education System (AES) instructors in HIV/Aids each year.
- Carry out 6 mass media campaigns and HIV/Aids awareness outreach programmes per year.

Attainment of a decrease in maternal and infant mortality is closely linked to the provision of basic health services and availability of trained health workers. The most important factors for decreased mortality rates are safe deliveries by midwives or other competent health staff, a good referral system, treatment of endemic diseases such as malaria, and routine immunisation.

The costing assumes that the cost of delivery of the basic health care package amounts to an average of \$21 per person per year. It also uses standard unit costs for bed net distribution, vaccination campaigns, routine immunisations and health worker training. The cost of constructing and equipping a health centre is estimated at \$1.5m, while the cost of constructing and equipping a primary health care unit is estimated at \$0.4m.

The total cost of this priority area is \$825 million. The cost increases over the period 2008-2011, as health service delivery and investment in physical infrastructure are scaled up.

Table 4: Total Cost of the Health Priority (US\$ millions)

	2008	2009	2010	2011	Total
Basic health package	93.5	102.5	111.0	119.1	426.1
Routine immunisation	25.0	18.5	18.4	17.1	79.1
Vaccination campaigns	10.9	10.4	9.5	8.4	39.2
Mosquito bednet distribution	6.9	7.1	7.3	7.5	28.7
Construction & rehabilitation of health facilities	23.3	37.2	56.3	61.7	178.5
Training	12.0	13.5	15.5	17.4	58.4
Capacity Building	1.6	1.5	1.2	1.1	5.4
HIV/Aids awareness	2.1	2.6	2.4	2.2	9.3
Total	175.3	193.4	221.6	234.4	824.6

5.4. Education: Promoting access to basic education

GoSS has set the following **targets** for basic education for 2011:

- Increase the gross primary enrolment rate from around 1.035 million children to 1.762 million.
- Increase girls' enrolment from around 34% in 2006 to 40%.
- Increase the number of permanent primary school structures by 50%.
- Reduce the primary pupil-book ratio from 3:1 to 2:1
- Attain a pupil-teacher ratio of 50:1 teachers for primary education
- Increase the proportion properly trained teachers, with the ultimate target being a fully trained workforce.
- Increase the number of alternative education systems (AES) learners from 560,000 to 1 million.
- Attain a learner-instructor ratio of 88:1 for AES.

The overall cost of meeting these targets is estimated at **\$916 million**.

GoSS's main **challenge** in promoting access to basic education relates to the link between access, quality and fiscal affordability. If GoSS is to meet both its enrolment and its pupil-teacher ratios for 2011, it will need to recruit a further 15,000 teachers, which represents an increase of almost 75% on the current estimated workforce. This is an extremely challenging target, which has significant implications for the size of the teachers' wage bill. Moreover, constraints on capacity for teacher training mean that not all new recruits will receive training, and only 50% of teachers will be properly trained by 2011. This raises a question as to the feasibility of expanding enrolment, and the teacher workforce, at a rate that exceeds the capacity to train. At the same time, if rising access is accompanied by declining quality, retention rates could be adversely affected.

Professionalising teachers is a significant challenge, as most primary teachers in Southern Sudan during the war were unpaid volunteers with no training. At present, it is estimated that less than 20% of teachers are qualified. The current teacher headcount exercise will be vital in gaining an accurate picture of the skills and qualifications of the existing workforce. It is also the first step to rationalising the payroll and evaluating training needs.

Some of the major **activities** required to deliver the targets by 2011 include:

- Increase the number of primary teachers by 15,000, to 35,000.
- Increase the number of AES instructors by 5,700 to 11,300.
- Train 8,000 primary teachers through in-service training, and 5,000 through a fast-track programme.
- Rehabilitate 100 primary schools and construct 400 primary schools.
- Rehabilitate & equip 10 AES centres.
- Construct 20 County Education Centres for teacher training.
- Provide every primary pupil with a school kit.

- Distribute over 2 million primary text books.
- Feed 200,000 pupils in schools with special needs per year, including girls schools
- Provide 100 girls scholarships

The average unit cost per primary student is estimated at \$144, of which over 50% is accounted for by teachers' salaries, and 25% by capital expenditures. The wage bill for primary teachers is estimated to double, from \$56 million per annum to \$110 million per annum. The average unit cost per AES student is estimated at just over \$30 per capita, over 95% of which is for instructors' salaries. The wage bill for AES instructors is estimated to increase from \$15 million per annum to \$35 million per annum.

The total cost of this priority area is \$916 million. Nearly 90% of total cost is accounted for by primary schooling, and the remaining is for Alternative Education Systems (AES). Wages for teachers and instructors are the main cost for both activities, although the spending on classroom construction will rise significantly over the period.

Table 5: Total Cost of the Education Priority (US\$ millions)

	2008	2009	2010	2011	Total
Recurrent costs including school kits & text books	74.3	100.5	121.2	146.0	442.0
of which teacher salaries	56.7	76.4	92.0	110.1	335.1
Primary school construction & rehabilitation	38.2	53.0	68.7	92.2	252.0
Teacher training	5.2	5.8	7.0	7.6	25.6
School feeding programme	20.6	22.6	23.0	24.7	90.9
Girls schooling	0.4	0.4	0.4	0.4	1.6
Total Primary	138.8	182.4	220.3	270.8	812.2
Alternative Education Systems	16.9	22.1	28.4	36.7	104.0
of which instructor salaries	15.9	20.9	27.2	35.0	99.0
Total	155.6	204.4	248.8	307.5	916.3

5.5. Water: Increasing access to safe water and sanitation

GoSS has set the following **targets** for water for 2011:

- Increase the proportion of the rural population with access to clean water from under 20% to over 40%.
- Provide all new and rehabilitated schools and health facilities with access to safe water and sanitation.
- Increase awareness of hygiene amongst the rural population.

The total cost of meeting these targets is estimated at **\$138 million**.

The main **challenges** GoSS faces in increasing access to safe water and sanitation are in managing construction and maintenance. Planning systems need to ensure that the most can be made of the six month dry season when water point construction can take place. It

is also vital that development partners ensure that funds are also disbursed on time. The condition of roads to remote areas provides another challenge to construction.

Capacity constraints increase the magnitude of this challenge. There are shortages of trained personnel at state and national level and limited capacity amongst private sector, NGOs and other technicians to scale up water point development. Ensuring viable supply chains of goods and services to support long term operation and maintenance is a further challenge.

Less than one percent of the rural population is estimated to have access to basic sanitation. Changing behaviour to encourage investments in household sanitation is likely to be extremely slow and unlikely to be successful when other more pressing immediate development needs remain unmet. Moreover, investments can only be scaled up in line with increasing capacity.

Some of the major **activities** required to deliver the targets by 2011 include:

- Construction of 6,500 borehole schemes, 100 distribution schemes, 220 hafirs and barriers and digging of 160 wells.
- Maintenance of 2,650 borehole schemes and rehabilitation and repair of a further 950.
- Construction of 550 latrines in schools, health facilities and other public places.
- Construction of 4000 co-financed household latrines.
- Development of a water and sanitation points database.
- Development of a strategic sanitation plan.
- Sanitation and hygiene awareness campaigns.

The unit cost of borehole construction is estimated at \$12,000, and each is estimated to serve 500 people. Maintenance and repair is estimated at \$1,500. The cost of construction of a public latrine is estimated at \$5,400.

The total cost of this priority is \$138 million. The bulk of this is for the costs of increasing rural water supply, mainly through the drilling, repairing and maintenance of boreholes and pumps.

Table 6: Total Cost of the Water Priority (US\$ millions)

	2008	2009	2010	2011	Total
Rural water supply	24.2	30.1	32.0	32.0	118.5
Sanitation	0.8	1.6	1.7	2.0	6.2
Capacity building	2.0	2.0	2.0	2.0	8.0
Database development	0.5	0.5	0.5	0.5	2.0
Technical assistance	1.0	1.0	1.0	0.8	3.8
Total	28.6	35.2	37.3	37.4	138.4

5.6. Production: Improving rural livelihoods and income

GoSS has set the following **targets** for production for 2011:

- Reduce food insecurity in rural households by 20%.
- Assist at least 20% of agricultural, livestock and fish producers to access markets with products that meet minimum quality standards.
- Reduce the incidence of major animal & crop diseases in Southern Sudan by half.

The total cost of meeting these targets is estimated at **\$229 million**.

The main **challenges** GoSS faces in improving rural livelihoods and income, from a base of very low production and productivity, include increasing the capacity of state ministries and extension workers, introducing improved technologies and increasing participation in, and access to, markets. In addition, it is essential that services are delivered to farmers in time for the growing season. Moreover, herding faces the risk of disruption from cattle rustling, insecurity and disease, while herders need to move from traditional uses of livestock to participating in markets. Other challenges include insufficient access to credit services, and lack of comprehensive information for planning purposes (livestock headcount, land inventory etc).

Successful attainment of GoSS's objective of improving rural livelihoods and income will also require complementary interventions in other priority areas outside of the top six expenditure priorities, such as environmental and natural resource management, and water resource management.

Some of the major **activities** required to deliver the targets by 2011 include:

- Distribution of 800 tonnes of seeds to farmers each year, 1,000,000 tool kits for returnees & food insecure households, and construction of 500 hundred grinding mills.
- Rehabilitation and/or construction of ten agriculture and forestry training centres, and construction of two seed quality laboratories.
- Construction or rehabilitation of ten livestock, fish and agricultural produce markets in the ten State capitals and 500 rural markets.
- Construction of ten slaughterhouses in the state capitals, together with one hundred slaughter slabs in county capitals.
- Construction of two abattoirs for export of livestock products to regional markets.
- Rehabilitation of 4 agricultural irrigation schemes.
- Development of landing sites in five states, construction or rehabilitation of at least 100 fish ponds, distribution of least two hundred tonnes of fishing equipment, and development of two fish hatcheries and fish feed centres.
- Development of ten poultry & dairy demonstration farms, one animal feed formulation centre, a breeding centre and four feed lots.
- Development of capacity for micro credit extension for production.

- Introduction of a market information system for livestock, crops, timber and non-timber products to reach around three-quarters of Southern Sudan's farmers through the media, farmers' groups and extension agents.
- Marketing of non-timber forest products, grading and grade-based pricing through training and awareness-raising campaigns.
- Training & support for at least 200 livestock and fisher groups and 2,500 agricultural & forestry groups, including pilot technology transfer.
- Increasing the number of agricultural and forestry extension staff to 2,500 and provide them with training & facilities.
- Establishment of an animal disease and surveillance & control system, including construction of three laboratories, purchase of 20 mobile clinics, stocking of drugs & vaccines, carrying out a livestock census etc.
- Increase the number of community animal health workers to 2000, to cover every county in Southern Sudan.

The estimated cost these activities is \$229 million. Food security will cost an estimated \$56 million, through provision of seeds and tools. Markets and production will cost \$102 million. Over half of this relates to construction of market infrastructure; urban markets are estimated to cost \$250,000 each, rural markets \$50,000, abattoirs \$1,500,000 slaughterhouses \$500,000 and slaughter slabs \$100,000. Extension, research and training services will cost an estimated \$41 million. The main costs are salaries of extension workers, training of producer groups, and development of training & research centres. Disease control is estimated to cost \$30 million, including the cost of veterinary laboratories, drugs, mobile clinics and the salaries of community animal health workers, who are paid the same as extension workers.

Table 7: Total Cost of Meeting the Production Priority (US\$ millions)

	2008	2009	2010	2011	Total
Food Security	13.1	13.6	14.1	14.6	55.5
Markets & Production	8.4	24.2	33.6	36.1	102.4
Extension, Research & Training	5.5	8.6	11.5	15.1	40.7
Disease Control	2.9	7.0	8.2	12.1	30.2
Total	30.0	53.4	67.4	78.0	228.7

6. Cost of the six top Expenditure Priorities

The total cost of the top expenditure priorities is estimated at \$6,369 million from 2008 - 2011. The two most expensive priorities are Security (\$2,403 million) and Roads (\$1,799 million). The Security costing has two main components; it includes the annual budget allocation to the SPLA over four years (\$2,000 million), and the cost of DDR (\$403 million).

The cost of the top expenditure priorities includes an allocation of \$60m for emerging priorities, such as Public Sector Reform. Public Sector Reform is seen as a complementary intervention to the six top expenditure priorities, particularly with respect

to retrenchment of the Organised Forces. The size of the Organised Forces has increased from just over 20,000 in 2006, to just under 70,000 in 2008, largely as a result of transfers from the SPLA, and the resulting wage bill is fiscally unsustainable. In addition, a number of the personnel who have been transferred have special needs, or are beyond retirement age. Downsizing of the Organised Forces will require the provision of some kind of package comparable to the package being provided to DDR candidates. In addition, Public Sector Reform will be a key component of developing capacity for decentralised service delivery, which is central to the achievements of the targets set for health, education, rural water and Production.

On an annual basis, the estimated cost of the priorities increases from \$1,411 million in 2008, to \$1,749 million in 2011. Most of the increase is on account of the rising annual expenditures for basic education and roads. Rising annual expenditures for basic education are mainly linked to the annual increase in enrolment rates. More teachers need to be recruited each year, to maintain the pupil-teacher ratio, and further classrooms need to be built, to increase the proportion of pupils who are taught in permanent structures. For roads, the rising expenditures are linked to commencement of work on the second set of priority roads, from 2010 onwards.

Table 8: Cost of the 6 Top Expenditure Priorities (US\$ millions)

	2008	2009	2010	2011	Total
Security	605	607	604	587	2,403
Roads	401	444	464	491	1,799
Health	175	193	222	234	825
Education	156	204	249	307	916
Production	30	53	67	78	229
Rural water	29	35	37	37	138
Emerging Priorities (Public Sector Reform)	15	15	15	15	60
Total	1,411	1,553	1,657	1,749	6,369

7. Cost of other GoSS Priorities

GoSS has also developed indicative cost estimates for expenditures outside of the six top expenditure priorities. These include the cost of delivering the other priorities identified in the ten Budget Sector Plans, in areas such as Rule of Law, Accountability, Economic Functions and Social & Humanitarian Affairs, and the running costs of GoSS institutions, including the salaries of all GoSS personnel. They also include inter-governmental fiscal transfers to State governments, to supplement their own budgetary resources. These inter-governmental transfers are known as unconditional, or block, grants, which the States may utilise to finance their budgets as they see fit. They are additional to the resources which flow to the States to finance service delivery in the six top expenditure priority areas, which are catered for in the estimates provided above.

GoSS has estimated the cost of all these needs at \$4,889 million for 2008 – 2011, including a provision for reserves. These cost estimates use the 2008 GoSS budget allocations and donor commitments as a base for providing the indicative estimates for

2009-2011. These estimates are therefore inclusive of anticipated donor allocations, and exceed the amount that will be allocated to these areas through the GoSS annual budget.

Table 9: Indicative cost estimates for other GoSS Priorities (US\$ million)

Sector	2008	2009	2010	2011	Total
	Total	Total	Total	Total	
Accountability	47	50	50	50	197
Economic Functions	42	50	50	50	192
Education	29	30	35	40	134
Health	23	25	30	35	113
Infrastructure	178	200	200	200	778
Natural Resources	66	80	80	80	306
Public Administration	130	130	130	130	520
Rule of Law	275	275	275	275	1,100
Security	2	5	5	5	17
Social & Humanitarian Affairs	106	100	100	75	381
Block Transfers to States	159	250	275	300	984
Reserves	18	50	50	50	168
Total	1,074	1,245	1,280	1,290	4,889

The largest share of GoSS's estimated expenditures in other priority areas is in the Rule of Law sector (\$1,100 million), followed by Block Transfers to the States (\$984 million). The high estimated level of expenditure in Rule of Law reflects the cost of the salary bill of the Interior element of the Organised Forces (Police, Prisons and Fire Brigade), which currently accounts for sixty percent of all spending in the sector. The other institutions in the sector are the Judiciary, the Ministry of Legal Affairs, and the Human Rights Commission. Should a downsizing of the Organised Forces take place over the period 2008-2011, it is assumed that the savings will be channelled into priority spending elsewhere in the sector. The high level of allocation to the Block Transfers to the States reflects the importance GoSS places on ensuring that the States & Counties have adequate funds available to meet their institutional needs, and finance their own local development programmes.

The Infrastructure sector is estimated to account for \$778 million of GoSS's expenditure in other priority areas. Infrastructure spending outside of the roads priority comprises a range of capital-intensive activities, including urban reconstruction, urban power and water supply, and water resource management, particularly for production. At present, approximately fifty percent of non-roads infrastructure spending is directed towards Juba reconstruction works; as these works are completed, the savings are expected to be channelled towards priority spending elsewhere in the sector, including for urban development of State capitals.

The allocations to the Health and Education sectors outside of the primary health and basic education top priority areas amount to \$247 million, and are expected to finance spending on tertiary health care, anti-retroviral drugs, quality control, and secondary & tertiary education. The allocations to these areas are expected to rise year on year, reflecting growing demand for secondary and tertiary services.

The estimated allocations to the Natural Resources sector, outside of the top priority areas of rural livelihoods and rural water supply, amount to \$306 million, and comprise spending on land and environmental management issues, as well as wildlife and tourism. Interventions in land and environmental management in particular are essential to the attainment of the targets set for rural livelihoods and rural water supply. At present, over sixty percent of this spending is absorbed by the salary cost of the Wildlife Force, which has reached a strength of 13,000 personnel, as a result of transfers from the SPLA. Estimated allocations are therefore expected to rise from 2009 onwards, to enable further spending on land and environmental management priorities. Moreover, any savings realised from downsizing the Wildlife Force will also be channelled to other priorities within the sector, including development of Southern Sudan's tourism potential.

The estimated allocations to the Social & Humanitarian Affairs sector amount to \$381 million. Two thirds of this is taken up by estimated allocations for social welfare schemes for War Veterans. Nonetheless, allocations to the sector are estimated to decline slightly in 2011, as the need for spending on activities related to returns come to an end.

8. Overall GoSS financing needs 2008-2011

In total, GoSS's estimated financing needs for the period 2008 – 2011 amount to \$11,258 million. Spending in the six top priority expenditure areas accounts for almost sixty percent of this, while the remainder is for other priorities, including the cost of delivering the other priorities identified in the ten Budget Sector Plans, in areas such as Rule of Law, Accountability, Economic Functions and Social & Humanitarian Affairs, the running costs of GoSS institutions, including the salaries of all GoSS personnel, and inter-governmental fiscal transfers.

Looking at the overall estimated financing needs in terms of the GoSS Budget Sectors, the largest requirements are in Infrastructure (\$2,577 million) and Security (\$2,420 million). While Security accounted for the greatest share of the six top expenditure priorities, Infrastructure accounts for the greatest share of overall needs, on account of the sizeable capital expenditure requirements outside of the roads priority, on other priorities such as urban reconstruction, electricity and water supply, and water resource management.

This next largest requirements are in Rule of Law (\$1,100 million, on account of the cost of the Organised Forces), Education (\$1,050 million) and Block Transfers to States (\$984 million). The block transfers only constitute a proportion of the funds which will flow to the States, as the States will also receive conditional transfers for financing service

delivery, particularly in education (teachers' wages and the running costs of schools) and health (primary health care). On an annual basis, GoSS's overall financing needs rise from \$2,485 million in 2008, to \$3,039 million in 2011.

Table 10: Overall GoSS financing needs 2008-2011 (US\$ millions)

Sector	2008	2009	2010	2011	Total	%
	Total	Total	Total	Total		
Accountability	47	50	50	50	197	2%
Economic Functions	42	50	50	50	192	2%
Education	184	234	284	347	1,050	9%
Health	198	218	252	269	937	8%
Infrastructure	579	644	664	691	2,577	23%
Natural Resources	125	169	184	195	672	6%
Public Administration	145	145	145	145	580	5%
Rule of Law	275	275	275	275	1,100	10%
Security	607	612	609	592	2,420	21%
Social & Humanitarian Affairs	106	100	100	75	381	3%
Block Transfers to States	159	250	275	300	984	9%
Reserves	18	50	50	50	168	1%
Total	2,485	2,798	2,937	3,039	11,258	100%

9. Estimated Financing Gap 2008-2011

On current estimates, GoSS's revenues for the period 2008 – 2011 are insufficient to finance its needs. At present, GoSS is almost entirely dependent on oil revenues; in the period 2005 – 2007, oil accounted for over ninety-nine percent of GoSS's income. GoSS is now taking steps to enhance its capacity for non-oil revenue collection, but it remains the case that its ability to finance its expenditure needs from 2008 – 2011 will depend on the performance of its oil revenues. Oil is an unreliable revenue source, as GoSS has already learnt. Revenues from oil for the period 2005 – 2007 fell almost \$1 billion short of the estimates made at the time of the JAM, mainly because production was lower than forecast. Moreover, on a monthly basis, revenues have fluctuated considerably, from a low of \$38 million, to a high of \$242 million, as a result of variations in both price and production levels.

At present, oil prices are at an all time high. However, there is no guarantee that these record prices will be sustained until 2011. Moreover, GoSS faces a declining production profile from its current wells, with production expected to rise from current levels up to 2009, and then to start declining from 2010 onwards. At present, GoSS has no guarantee that further wells will come on stream before 2011. Both these factors raise concern as

to GoSS's ability to finance its expenditure needs from 2008 – 2011, and the long-term sustainability of its revenue base.

On current forecasts, GoSS's revenues for the period 2008 – 2011 are estimated to amount to \$8,662 million. Ninety- six percent of this (\$8,326 million) is expected to come from oil revenues, while the remainder (\$336 million) is expected to come from non-oil revenues.

GoSS's estimates for oil revenues apply a \$20/barrel discount to current oil prices, to cushion against the risk of a decline in oil prices. They also assume that production will rise by ten percent and peak at just under 500,000 barrels per day in 2009, before commencing a progressive decline to 455,000 barrels per day in 2011, and further thereafter. On an annual basis, this translates into oil revenues of \$2,311 million in 2009, declining to \$2,129 million in 2011.

GoSS's estimates for non-oil revenues assume that non-oil revenue collections will progressively increase from the levels set out in the 2008 Budget, with collections increasing by 5% in 2009, 7.5% in 2010 and 10% in 2011. In practise, these targets are very challenging, and will require a number of enabling conditions, including approval of the GoSS Revenue Bill, which is currently in final draft, and significantly enhanced revenue administration and remittance, particularly for customs revenues. GoSS and GoNU have recently agreed on administrative arrangements for Southern customs collections, including modalities for revenue sharing, in line with the CPA.

The estimated financing gap for 2008 - 2011 is derived from the difference between GoSS's expenditure needs for the period, and its estimated revenues. Part of the gap is already filled by existing donor commitments, which are estimated to amount to just over \$600 million. These are projects for which funds were committed in 2005 -2007, but whose implementation is ongoing. The remainder of the gap constitutes the amount of new pledges the South is seeking from partners. This is estimated at \$1,992 million for 2008 – 2011, or an average of just under \$500 million a year.

Table 11: Estimated Financing Gap 2008 – 2011 (US\$ millions)

	2008	2009	2010	2011	Total
<i>GoSS Revenue</i>					
Oil	1,656	2,311	2,231	2,129	8,326
Other	76	80	86	94	336
Total	1,732	2,391	2,316	2,223	8,662
<i>Expenditure Needs</i>					
Costs of 6 Expenditure Priorities	1,411	1,553	1,657	1,749	6369
Other GoSS Needs	1,074	1,245	1,280	1,290	4889
Total	2,485	2,798	2,937	3,039	11,258
<i>Committed Donor Funds</i>	305	135	132	33	605
Financing Gap	448	271	488	784	1,992
<i>Total Donor Funding</i>	753	407	621	816	2,596

10. Aid Effectiveness

GoSS is requesting \$1,992 million of new funding from donor partners over the period 2008 – 2011. It would like this funding to be used as effectively as possible, in line with the principles of the GoSS Aid Strategy. The principles are:

1. **Alignment;** *of donor assistance with Government priorities.*
2. **Co-ordination;** *of aid delivery with Government programmes, to avoid duplication, concentration or neglect.*
3. **Predictability;** *of the volume and timing of aid flows.*
4. **Harmonisation;** *of donor activities and programmes.*
5. **Institutional Development;** *using aid to enhance Government capacity.*
6. **Mutual Accountability;** *between Government and donors.*

The period 2005 – 2007 marked the beginning of a transition in aid co-ordination and delivery in Southern Sudan. GoSS developed the foundations for a Government-led approach to aid co-ordination, through the development of its Aid Strategy³, and establishment of several key co-ordination mechanisms provided for in the Strategy. These included the Inter Ministerial Project Appraisal Committee (for appraisal and approval of donor projects, prior to GoSS signature), the GoSS Budget Sector Working Groups (through which partners report on and align their activities with sectoral priorities) and the Quarterly Donor Forum (for regular dialogue between GoSS and its partners).

At the same time, partners started to shift their interventions from humanitarian funding to support for recovery and development activities. However, to date, this transition has been uneven. At the development end of the spectrum, the Multi Donor Trust Fund Southern Sudan (MDTF-SS) was established to provide donor co-financing for GoSS's long-term reconstruction and development projects. The Fund, which is administered by the World Bank, and financed by fourteen donors, took quite some time to become fully operational, and by the end of 2007, had only spent 25% of the \$350 million it had received from donors. The remainder of these funds constitute part of the \$605 million of committed donor funds which are expected to be utilised between 2008 – 2011.

MDTF development programmes were supplemented by a number of other sizeable development interventions, including bilateral projects⁴ and harmonised programmes delivered through the United Nations Development Programme (UNDP)⁵. Some of these interventions also contribute to the \$605 million of donor funds committed during 2005 – 2007 which are expected to be utilised between 2008 – 2011.

³ The Aid Strategy was endorsed by development partners in 2007.

⁴ e.g. USAID support for road infrastructure development, EC support for agriculture & livestock production (SPCRP programme).

⁵ UNDP Strategic Partnerships Arrangement.

A number of donors also developed fairly sizeable bilateral projects outside of the MDTF to support quicker-impact recovery activities⁶. In addition, the South has seen an increase in a number of smaller, bilateral recovery and development projects, mainly channelled directly by donors through NGOs. Frequently, these projects are not well known to GoSS, and have not been submitted to the Inter Ministerial Project Appraisal Committee for scrutiny and approval. The 2007 donor mapping exercise conducted by GoSS revealed that over eighty bilateral recovery and development projects are currently being implemented in the South, constituting over half of all interventions. This is a significant concern, given the co-ordination burden associated with small bilateral project proliferation. Finally, even now, a significant proportion of donor assistance to Southern Sudan continues to be delivered through short-term humanitarian interventions.

For the period 2008 – 2011, GoSS wants to encourage donor partners to build on the principles of the Aid Strategy, by:

- Ensuring that new pledges are directed to the priorities identified by GoSS.
- Avoiding concentration of funding in certain areas.
- Using harmonised funding & implementation mechanisms where possible.
- Availing projects for GoSS appraisal.

GoSS also wishes partners to commit to shifting the bulk of their remaining humanitarian funding towards more sustainable and predictable recovery and development interventions. To avoid proliferation, and minimise the risk of either duplication or concentration, these funds should be channelled through harmonised mechanisms⁷ as much as possible. Effectively, the majority of bilateral interventions should be for projects of a sufficient size (\$10 million or more) to warrant stand-alone implementation, and to enable co-ordination with other interventions.

In addition, to strengthen harmonisation, GoSS would prefer one or two development partners/ mechanisms to take a lead in each priority area. GoSS requests that donors come together with Government after the Sudan Consortium to agree on the priority leads. These leads must then be reflected in the Budget Sector planning process, by each lead taking the co-chair in the relevant Budget Sector Working Group.

GoSS is also concerned to limit emerging trends in funding concentration, which reveal a relatively higher proportion of funding going to Production relative to other priorities. Based on analysis of the distribution of existing commitments, and GoSS's expenditure needs for 2008 – 2011, the following guidelines for new donor pledges are proposed:

- 85% of new donor pledges should be directed towards the six top expenditure priorities, while the remaining 15% should be used to fund activities outside of the priority areas. This is in line with the current distribution of donor funding.

⁶ e.g. EC Recovery & Rehabilitation Programme (RRP), UK Basic Services Fund (BSF)

⁷ e.g. Multi Donor Trust Fund, Sudan Recovery Fund, Capacity Building Trust Fund, Strategic Partnerships Arrangement

- Within the six top expenditure priorities, the greatest share of donor funding should go to roads, followed by DDR and health.

More donor funds are required for health than for education, because a large proportion of the education costs are for teachers' salaries, which will be paid for by GoSS, not donors. The proposed distribution of new pledges is set out in Table 12 below.

Table 12: Proposed distribution of new donor pledges 2008 – 2011 (US\$ million)

Priorities	Total needs	Donor Funds 2008 -2011			Total Donor Funds as % of needs
		Funds Already Committed	Proposed Allocation of New Pledges	Total	
Security (DDR only)	403	63	340	403	100%
Security (SPLA)	2,000			-	0%
Roads	1,799	99	750	849	47%
Health	825	123	250	373	45%
Education	916	84	170	254	28%
Production	229	78	60	138	60%
Rural water	138	32	60	92	67%
Public Sector Reform	60		60	60	100%
Other	4,889	126	302	427	9%
Total	11,258	605	1,992	2,596	23%

Funding provided to the other GoSS priorities, outside of the six top expenditure priority areas, will also be required to follow the same principle of avoiding undue concentration in certain sectors. GoSS particularly wishes to see funding provided to interventions which are complementary to activities in the six top priority areas; environmental management and water resource management are good examples of such interventions which at present receive almost no donor support whatsoever.

Finally, GoSS wishes to request donors to make their funding as predictable as possible; the Sudan Consortium should be used as an opportunity for donors to indicate the scale of funding they intend to avail to the South over the period 2008 – 2011, and the mechanisms through which they intend to channel it. Moreover, GoSS wishes donors to front-load their funding as far as possible. The annual financing gaps identified in this document are on an expenditure basis, which means that donor funds need to be committed and disbursed *beforehand*, to provide the necessary lead-time for programme preparation. This is particularly important for funds channelled through the MDTF, which can only commit funds to projects against disbursed donor funds, not pledges. Effectively, donors need to disburse their pledges to the MDTF within the next two years, to enable expenditures to occur within the timeframe of the Interim Period.

Annex 1: Objectives & Priority Activities of GoSS Budget Sector Working Groups

Accountability	
Overall Objective: Ensure the government is accountable to the people of Southern Sudan	
Objectives:	
<ul style="list-style-type: none"> • Mobilise and manage resources efficiently and allocate them equitably for sustainable service delivery and socio-economic development • Ensure timely accountability, transparency and zero tolerance to corruption • Ensure public access to information in a timely manner on the use of public resources 	
Institutions	Summarised Activities
<ul style="list-style-type: none"> • Anti-Corruption Commission • Audit Chamber • Commission for Census, Statistics and Evaluation • Finance & Economic Planning • S.Sudan FFAMC • S.Sudan Reconstruction & Development Fund 	<ol style="list-style-type: none"> 1. Economic management and resource mobilisation including: <ul style="list-style-type: none"> • Effective non-oil and oil revenue administration system • Support to the banking system 2. Planning and budgeting including: <ul style="list-style-type: none"> • Aid coordination and monitoring • GOSS annual Budget/Medium Term Expenditure Framework preparation 3. Financial Management including: <ul style="list-style-type: none"> • Cost-effective procurement • Effective internal auditing of Government payments 4. Accountability including <ul style="list-style-type: none"> • Audit of GOSS and State's annual financial statements • Anti-corruption activities 5. Statistics including: <ul style="list-style-type: none"> • Collect and analyse economic, social and demographic statistics and census

Economic Functions

Overall Objectives:

- To advance and accelerate the balanced and sustainable economic development of Southern Sudan, with clearly delineated roles for the public and private sectors.
- To provide the citizens with the necessary tools, infrastructure and information to participate effectively in political and economic development.

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Commerce, Trade & Supply • Investment Authority • Industry & Mining • Information & Broadcasting • Telecommunication & Postal services 	<ol style="list-style-type: none"> 1. Create Conducive Environment for Trade and Private Sector Development including: <ul style="list-style-type: none"> • Policy and regulations establishment • Business development and finance services 2. Promotion of Private Sector Investment including: <ul style="list-style-type: none"> • Trade and investment licensing and promotion 3. Development of Energy Industry and Mining Sectors including: <ul style="list-style-type: none"> • Establishing a policy and regulatory framework • Mobilisation of investment into energy and industry 4. Promoting Access to Public Information including: <ul style="list-style-type: none"> • Development of media and public broadcasting • Development of public education capacity 5. Establish & improve Telecommunications & Postal Services including: <ul style="list-style-type: none"> • Establish a telecommunications backbone in Southern Sudan • Establishment of local and international Postal Services.

Education

Overall Objective:

- Promote equitable access and deliver quality education services for sustainable development

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Education, Science & Technology 	<ol style="list-style-type: none"> 1. Primary education & early childhood 2. Alternative education systems 3. Post-primary (vocational schools) & secondary 4. Tertiary & higher <ul style="list-style-type: none"> • All the above include : • Planning & policy; • Construction, maintenance & rehabilitation • Staff & teacher management (recruitment & salaries) and • Provision of learning & teaching materials 5. Educational quality promotion & assurance includes: <ul style="list-style-type: none"> • Curriculum development & material production • Inspection & standards oversight • Examination issues

Health

Overall Objectives:

- Establish and maintain a decentralised, accessible, affordable and quality countrywide health system based on primary healthcare, to improve the health status of people in Southern Sudan
- Establish and strengthen mechanisms and institutions for scale-up response against HIV spread and Aids impact mitigation in Southern Sudan

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Health • Southern Sudan Aids Commission 	<ol style="list-style-type: none"> 1. Health systems & human resources development including: <ul style="list-style-type: none"> • Developing policies, guidelines and standards • Develop and establish an M&E System in all ten States of Southern Sudan 2. Primary Health Care, with emphasis on reproductive health & nutrition including: <ul style="list-style-type: none"> • Improve quality, access to, and utilisation of Reproductive Health Services • Establish an Expanded Programme for Immunisation (EPI) across Southern Sudan • Phased provision of basic infrastructure & equipment for primary health care 3. HIV/AIDS including: <ul style="list-style-type: none"> • Develop and review HIV/AIDS policies and guidelines with gender perspective and mainstream HIV/Aids in key sectors 4. Secondary Health Care including: <ul style="list-style-type: none"> • Renovation of existing referral hospitals in Juba, Wau and Malakal and Development of phased plan for renovation of existing county & state hospitals 5. Control of communicable diseases including: <ul style="list-style-type: none"> • Strengthen outbreak prevention, preparedness and response at both GoSS and State level (including emergency drugs) • Develop integrated disease surveillance & response system 6. Pharmaceutical Supply and Management System.

Infrastructure

Overall Objectives:

- Rehabilitate and provide infrastructure to stimulate investment, leading to poverty reduction and enhanced economic growth

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Housing, Lands & Public Utilities • Electricity Corporation • Transport & Roads • Urban Water Corporation • Water Resources and Irrigation 	<ol style="list-style-type: none"> 1. Roads & road transport development including: <ul style="list-style-type: none"> • Feasibility studies, technical assessments and surveys • De-mining, maintenance, rehabilitation & construction 2. Air, river & rail transport development 3. Housing including: <ul style="list-style-type: none"> • Completion of 2007 housing commitments • Procurement of specialised plant, equipment & machinery 4. Lands & public utilities including: <ul style="list-style-type: none"> • Power supply • Water & sanitation 5. Urban development 6. Water resources (management, irrigation, & hydrology) including: <ul style="list-style-type: none"> • Rehabilitating and constructing water storage/control/monitoring & irrigation facilities • Procuring specialised equipment for water resources management works & monitoring

Natural Resources

Overall Objectives:

- To improve livelihoods and income, and ensure food security for all the people of Southern Sudan, through sustainable use of natural resources and the environment
- To increase access to land, safe water and improved sanitation for all

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Agriculture & Forestry • Animal Resources & Fisheries • Cooperatives & Rural Development • Environment, Wildlife Conservation & Tourism • S.Sudan Land Commission 	<ol style="list-style-type: none"> 1. Agriculture & forestry including: <ul style="list-style-type: none"> • Supporting agricultural & forestry extension services in the States • Supporting plantation, wood & non-wood production development 2. Animal resources & fisheries including: <ul style="list-style-type: none"> • Develop animal production & range management capacity • Develop capacity for fisheries & aquaculture sector 3. Wildlife & tourism including <ul style="list-style-type: none"> • Wildlife population surveys • Development of protected areas & tourist centres (policies & programmes) 4. Rural water including: <ul style="list-style-type: none"> • Develop rural water policy guidelines & standards for all levels of Government • Development of rural water information system (database, monitoring & evaluation) • Raise awareness on borehole management & hygiene in rural areas 5. Environmental & land management including: <ul style="list-style-type: none"> • Development of land policies & land laws • Mediation & arbitration on land disputes 6. Co-operatives & rural development including: <ul style="list-style-type: none"> • Develop policy & institutional framework for Co-operatives and Rural Development and revise legislation.

Public Administration

Overall Objectives:

- Establish functional and viable systems and structures of government, through which the people can be effectively and efficiently served and developed
- Establish strong, inclusive policies, systems and oversight that foster responsive, transparent and accountable public administration at all levels of government.
- To promote the exercise of good governance

Institutions	Summarised Activities
<ul style="list-style-type: none"> • President's Office • Vice-President's Office • Presidential Affairs • Cabinet Affairs • Regional Cooperation • Parliamentary Affairs • S.Sudan Legislative Assembly • Local Government Board • Labour, Public Service & HRD • Civil Service Commission • Employees Justice Chamber • Public Grievances Chamber 	<ol style="list-style-type: none"> 1. Policy making and executive oversight of the government including: <ul style="list-style-type: none"> • Supporting the Cabinet and the Presidency 2. Legislation, promulgation of legislation and legislative oversight including: <ul style="list-style-type: none"> • Operation of the Assembly and the committees of the Assembly • Linkage between GOSS , the SSLA and State Assemblies 3. Public service policy, management and administrative reform including: <ul style="list-style-type: none"> • Monitoring of service standards • Redress of the public's grievances relating to the public and private sector 4. Promotion of regional cooperation including: <ul style="list-style-type: none"> • Regional policy formulation • Management of GOSS missions overseas 5. Sub-national government policy and coordination including: <ul style="list-style-type: none"> • Decentralisation policy • Intergovernmental relations 6. Labour policy and regulation.

Rule of Law

Overall Objective:

- Build and sustain efficient and effective accountable institutions, which promote and guarantee access to justice for all, and protect human rights for all in Southern Sudan

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Judiciary of Southern Sudan • Legal Affairs & Constitutional Development • Southern Sudan Human Rights Commission • Ministry of Internal Affairs <ul style="list-style-type: none"> ○ Police ○ Prisons ○ Fire Brigade ○ Ministry Head Quarters 	<ol style="list-style-type: none"> 1. Institutional building of JOSS including: <ul style="list-style-type: none"> • Strategic policy development • Administration of justice 2. Legal affairs & constitutional development including: <ul style="list-style-type: none"> • Strategic policy development 3. Improving and expanding Police activities including: <ul style="list-style-type: none"> • Develop and improve police-public relations 4. Improving and expanding Prisons activities including: <ul style="list-style-type: none"> • Institutional policy review and development (strategic framework, regulations, bills, code of conduct) • Prisoners care, treatment and rehabilitation 5. Improving and expanding Fire Brigade activities including: <ul style="list-style-type: none"> • Develop a strategic framework (policy development, prioritisation) 6. Human Rights Commission including: <ul style="list-style-type: none"> • Establish human rights monitoring, reporting, investigation, complaints handling and victim protection • Raise public human rights awareness and engage with civil society in policy development and advocacy

Security

Overall Objective:

- Safeguard peace and security with an effective and efficient armed forces
- Free Southern Sudan and transitional areas from Land Mines and explosive remnants of war
- Effective disarmament, demobilisation and reintegration of ex-combatants

Institutions	Summarised Activities
<ul style="list-style-type: none"> • De-Mining Authority • DDR Commission • SPLA Affairs 	<ol style="list-style-type: none"> 1. Armed forces including: <ul style="list-style-type: none"> • Military operations, logistics and health • Political and moral orientation of the armed forces 2. Disarmament, Demobilisation and Reintegration including <ul style="list-style-type: none"> • Support the civilian disarmament and community security activities • Coordinate and oversee the demobilisation & re-insertion of ex-combatants & associates • Promote and coordinate the reintegration of ex-combatants & associates 3. Mine action including: <ul style="list-style-type: none"> • Mine risk education • Victim assistance.

Social and Humanitarian Affairs

Overall Objective:

- Build a society that is inclusive, equitable and peaceful

Institutions	Summarised Activities
<ul style="list-style-type: none"> • Gender, Social Welfare & Religious Affairs • Culture, Youth and Sport • War Disabled, Widows, and Orphans Commission • War Veterans Commission • Peace Commission • SSRRC 	<ol style="list-style-type: none"> 1. Peace building and conflict resolution including: <ul style="list-style-type: none"> • Justice, peace and reconciliation education • Facilitating grassroots dialogue & reconciliation 2. Promote gender equality, empowerment and social inclusion including: <ul style="list-style-type: none"> • Policy formulation & monitoring • Inter communal participation & dialogue 3. Return and reintegration of IDPs and refugees including: <ul style="list-style-type: none"> • Raise awareness and promote peace building in return communities 4. Humanitarian & disaster management including: <ul style="list-style-type: none"> • Develop disaster management policy and framework • Disaster early warning systems 5. Support and empowerment of vulnerable groups including <ul style="list-style-type: none"> • Support, protection and empowerment of the disabled, destitute, children and other vulnerable groups • Support to the social and economic welfare of war related persons (disabled, widows and orphans) 6. Youth, sports and cultural heritage including: <ul style="list-style-type: none"> • Promoting peace through culture and sport

Annex 2: Budget Sector Challenges

Sector	Area	Challenges
Accountability	Procurement and planning	<ul style="list-style-type: none"> • Procurement law needs drafting • Centralisation contracts database & commitment control system needed • Standardisation of contract documents needed • Staffing levels in procurement insufficient • Phased decentralisation of procurement required • Inventory and asset management capacity needs to be built • Procurement capacity of SPLA Affairs needs to be strengthened • Inventory and Asset Management need to be developed
	Poverty Eradication Strategy	<ul style="list-style-type: none"> • Lack of social and economic baseline data for poverty analysis • Need to ensure coordination between GoNU and GoSS strategies
	Financial management and anti-corruption	<ul style="list-style-type: none"> • Public Financial Management Act, Anti-Corruption Act & Audit Act need to be passed and implemented • Capacity for cash management & budget execution across GoSS needs to be strengthened • Causes of corruption need to be better understood in order to tackle them • State level capacity for financial management needs to be strengthened • Timely financial data and reporting need to be developed • Timely auditing of accounts – monitoring of accounts closure
	Aid Coordination	<ul style="list-style-type: none"> • Donor compliance with GoSS appraisal & reporting procedures needs to be strengthened • Monitoring & Evaluation (M&E) systems for donor and GoSS projects need to be developed and capacity for M&E in MoFEP strengthened • Integrated AIMS system in MoFEP needs to be established

Sector	Area	Challenges
	Financial decentralisation	<ul style="list-style-type: none"> • Census needs to be completed in order to provide rational basis for State transfers - a clear formula for how to manage this should be developed • Consultation on draft SSFFAMC bill needs to be carried out • States need to be helped to streamline revenue collections • Coordination between GoNU FFAMC and SSFFAMC needs to be managed • Capacity building is needed for staff of SSFFAMC and state ministries of finance • Capacity of state to manage financial resources needs to be strengthened • Harmonisation of revenue rates for all levels of GoSS needs to be carried out
	Statistics	<ul style="list-style-type: none"> • Compilation and dissemination of statistics • Completion of the Census (CBS is requiring mapping to be digitised)
Economic Functions		<ul style="list-style-type: none"> • Lack of capacity to regulate product markets (standards, etc) • Legal frameworks don't exist • Absence of financial markets and nascent banking sector • Infrastructure to attract the private sector is lacking • Largely unskilled workforce • Rights and access to land • Perception that US sanctions prevent international investment in the South • Empowerment of local entrepreneurs • Insecurity - real and perceived • Improving the business environment

Sector	Area	Challenges
Infrastructure		<ul style="list-style-type: none"> • Capacity to manage procurement: <ul style="list-style-type: none"> ➤ ensuring contractors carry out their work ➤ ensuring a competitive construction sector ➤ ensuring projects are an appropriate size to attract international contractors ➤ difficulties in attracting private sector investment for large infrastructure projects ➤ ensuring work takes place during the dry season • High prices of construction materials • Maintenance
Health		<ul style="list-style-type: none"> • Shortage and uneven distribution of health workers and facilities • Attraction and retention of health workers • Facilities are badly located • Capacity to fight infectious diseases needs to be built • Lack of awareness of services. • Low awareness of HIV/AIDS • Lack of basic infrastructure (clinics, etc) and difficulties in reaching nomadic and sparsely settled populations across vast distances
Education		<ul style="list-style-type: none"> • Increasing the number of trained teachers • Retention and motivation of teachers – pay and conditions of service • Teacher payroll and ensuring teachers are paid • Increasing the number of learning spaces • Retention of pupils in school, especially girls • As primary enrolment increases, need to expand the secondary, vocational and tertiary sectors for leavers • Harmonisation and development of the curriculum • Prioritisation of resources to meet these challenges

Sector	Area	Challenges
Natural Resources and Rural Development	Agriculture, Forestry, Animal Resources and Fisheries	<ul style="list-style-type: none"> • Ensuring spending occurs in time for growing season • Provision of research & extension services • Veterinary services and surveillance • Technology development and transfer • Moving from traditional uses of livestock to participating in markets • Access to micro credit (link with economic functions here) and loans • Access to markets (link with economic functions & infrastructure here) • Enforcement of forestry laws (burning, illegal logging, etc) • Slaughtering, storage and certification facilities • Insecurity and cattle rustling • Reduction in conflict over land
	Cooperatives and Rural Development	<ul style="list-style-type: none"> • Local capacity for maintenance of existing boreholes and infrastructure • Provision of safe water • Provision of water to schools and health facilities • Planning and location of boreholes
	Environment, Wildlife Conservation and Tourism	<ul style="list-style-type: none"> • Shortage of trained personnel and high existing salary costs • Lack of tourist infrastructure • Poaching and protection of endangered species • Animal migration • Conservation of the environment and dealing with waste • Limiting the impact of oil exploration on the environment • Protection of wetlands – maintenance of the natural eco-system

Sector	Area	Challenges
Public Admin	Institutional framework at GoSS & State level	<ul style="list-style-type: none"> • The pace of lawmaking in the SSLA needs to be strengthened • Coordination between Executive and Legislative on passing of laws needs to be improved • Procedural mechanisms for passing laws need to be strengthened and streamlined • Democratic governance needs to be consolidated • Oversight needs to be strengthened • Corruption needs to be tackled • Executive and states need to be trained and developed • Link between Executive and Legislative Assemblies at state level needs to be developed • Staff of MPA, and Assemblies at state level need to be trained • Infrastructure and facilities need to be developed • Multi-party system needs to be developed further • Management of elections needs to be thought through in terms of institutions; law; funding; sensitisation; census • MPA needs to establish Youth Parliament and a Centre for Democracy
	County Planning	<ul style="list-style-type: none"> • Service delivery at county level needs to be strengthened • Functionality of County Councils needs to be strengthened • Capacity needs to be developed • Funding needs to be galvanised • Coordination needs to be developed • Accountability & transparency need to be strengthened • Infrastructure – more offices need to be constructed • Personnel need to be coordinated and harmonised

	Public Service	<ul style="list-style-type: none"> • Unnecessary staff need to be retrenched and qualified staff retained or recruited and trained qualified • Employee rights need to be developed • Recruitment procedures need to be established • Existing staff need to be screened in order to enhance accountability – a Human Resources database should be put in place to modernise systems • Training needs should be identified and standards put in place - a coordinated approach is needed • Pension framework needs to be developed • Absence of Public Service Act • Trade Union structures need to be developed and established • Structures need to be reviewed • Payroll management – salary structures need to be standardised
	Employees Justice	<ul style="list-style-type: none"> • Absence of labour courts to determine labour related cases • The Employees Justice Chamber is not supported by legal frameworks though the bill is drafted • The Employees Justice Chambers jurisdiction is government employees but the bulk of cases reported are from the private sector • Coordination between public service, labour office and other related institutions needs to be developed

Sector	Area	Challenges
Rule of Law	Laws and constitution	<ul style="list-style-type: none"> • The volume of pending legislation and time delays in Parliament is holding back several pieces of legislation • The transition to English from Arabic is a key challenge • The transition to common law from Sharia is another great challenge • Good quality of legal drafting is lacking • Transitional arrangements for building capacity and logistical support at state and county level need to be put in place
	Courts, judiciary and lawyers	<ul style="list-style-type: none"> • Court functioning needs to be improved and judiciary trained in relevant skills • Language is an issue here also • Managing the interface statutory and customary law • Training/ provision of skills for returnee lawyers
	Human rights	<ul style="list-style-type: none"> • Sensitisation/ public awareness – engagement of civil society • Operation at state and county levels – offices needed at state level • Governance environment • Inadequate expertise and experience in human rights promotion in Human Rights Commission - capacity building Commission and associated institutions necessary; legal training • Monitoring frameworks need to be strengthened • Passing the Human Rights Act • Infrastructure needs for Human Rights Commission • Gender mainstreaming in staff of Commission • Coordination with enforcement agencies (police, prisons, fire brigade)

	Police	<ul style="list-style-type: none"> • The large influx of police officers from demobilised forces (arm, identify, capacity building, uniform) need to be trained and efficiently managed in order to transform them into professional force • Police headcount needs to be completed • Strategy need to be developed for retrenchment of unsuitable staff • Lack of legal framework (Police Act with MOLA) • English language is a challenge for those from North
	Prisons	<ul style="list-style-type: none"> • Many of the same challenges apply (influx from ex-combatants, headcounts, retrenchment, legal framework, language) • Young criminals need to be managed • Social officers in prisons need to be reactivated • Selection of location of new prisons in light of funding constraints
	Fire Prevention	<ul style="list-style-type: none"> • Similar challenges as regards integration of former armed forces and retrenchment • Not able to respond to fires due to lack of equipment • Coordination with urban management on awareness and sensitisation to fire risks

Sector	Area	Challenges
Security	Armed forces	<ul style="list-style-type: none"> • Transformation and modernisation of the armed forces • Continued insecurity from border and militia issues. • Awareness, sensitisation and assistance for relocation of those groups who wish to move • Public expenditure on Armed Forces needs to be rationalised • Comprehensive framework for security sector reform needs to be developed • Capacity of SPLA Affairs needs to be built • Managing full integration of JIUs and provision of shelter and equipment • Demobilisation of ex-combatants • Demobilisation of SAF (8,919) • Identification of pensioning
	Disarmament, Demobilisation and Rehabilitation (DDR)	<ul style="list-style-type: none"> • Numbers of ex-combatants still need to be demobilised and reintegrated • Fiscal challenges to budget on demobilisation and reintegration • Lack of agreement Northern and Southern DDR on how to agree transition areas. • Intersectoral coordination problems – DDR and social welfare - particularly as regards demobilisation of minors
	Demining	<ul style="list-style-type: none"> • Numbers of GoSS staff in mine action needs to be addressed • Vast geographical terrain • Funding constraints • Public awareness

Sector	Area (if available)	Challenges
Social and Humanitarian	IDPs and Refugees	<ul style="list-style-type: none"> • Lack of services and income generating activities at local level for returnees • Stability in returnee areas – integration with local population and other forms of instability • Difficulty of encouraging IDPs and refugees to return – there is a need for reassurance • IDP and returnee planning needs to be coordinated with GoSS planning • Need to sensitise returnees and locals on HIV/ Aids
	Gender and children	<ul style="list-style-type: none"> • Lack of skilled workers for social protection – need to enhance capacity at all levels of government • Protection of street children • Sensitisation/ awareness raising on women and children’s rights – there is a conflict with traditional customs • Implementation of 25% targets needs to be accelerated • Intersectoral coordination of different agencies continues to be a challenge • Lack of data for monitoring purposes • Funding constraints • Combating child labour • Increasing numbers of child abduction