



Fragility Assessment

Republic of South Sudan 2012

Draft summary results



INTRODUCTION

Assessing fragility in South Sudan and identifying challenges and priorities ahead

CONTEXT IN SOUTH SUDAN

South Sudan won its **independence in July 2011** in a landmark referendum at the end of a six-and-a-half year interim period following the comprehensive peace agreement (CPA) of 2005. The CPA had brought an end to decades of intermittent **civil war reaching back to 1955**, which had cost millions of lives.

While progress remains fragile, South Sudan has enjoyed **increasing levels of stability and prosperity** during the CPA interim period and since independence. Large-scale **internal conflict** has markedly decreased. Initiatives have been put in place to address **inter-tribal clashes** recurring in some parts of the country and to reduce conflict around **access to resources**. Relations with Sudan, however, remain uncertain as agreements on **outstanding CPA issues** still need to be fully implemented.

Over the past years, South Sudan has established **key institutions of the executive, judiciary and legislative**, which increasingly start to perform their core functions. Basic **legal frameworks** for public services and private sector development are being put in place. A number of key reforms, for example in **natural resource management** or the **security sector**, are still pending. Implementation performance varies, as capacity for **public administration** needs to be significantly strengthened, particularly at sub-national levels.

Due to the **legacy of conflict and neglect**, socio-economic development in South Sudan starts from a very low base, despite a nominally high **income derived from oil**. In the **absence of basic infrastructure** and **limited delivery capacity**, most people remain cut off from access to social services. Many **health, education** and **food security** indicators remain close to crisis levels. Government capacity to deliver services only begins to form, and is limited by **fiscal austerity** following a temporary shutdown of oil production.

NEW DEAL AND FRAGILITY ASSESSMENT

As a founding member of the g7+ group of countries, South Sudan is piloting the implementation of the New Deal in order to address the causes of fragility and build a path towards resilience. Agreed upon in November 2011 by the g7+ and international partners, the New Deal proposes five peace- and statebuilding goals (PSGs) to provide clarity on priorities: (1) legitimate politics, (2) security, (3) justice, (4) economic foundations, and (5) revenues and services. It also focuses on new ways of engaging, and identifies joint commitments for better results.¹ The deal builds on the recognition that conventional humanitarian and development assistance, while providing a boost in the short term, has often failed to deliver results that are sustainable in the long term. The New Deal aims to address previous short-comings by prioritizing national ownership and leadership in the development progress.

A country-led fragility assessment, that identifies drivers of fragility and priority actions for the five PSGs, marks the beginning of the New Deal implementation process. The assessment informs the design of national development plans, as well as compacts with international partners to support plan implementation.

ASSESSMENT PROCESS IN SOUTH SUDAN

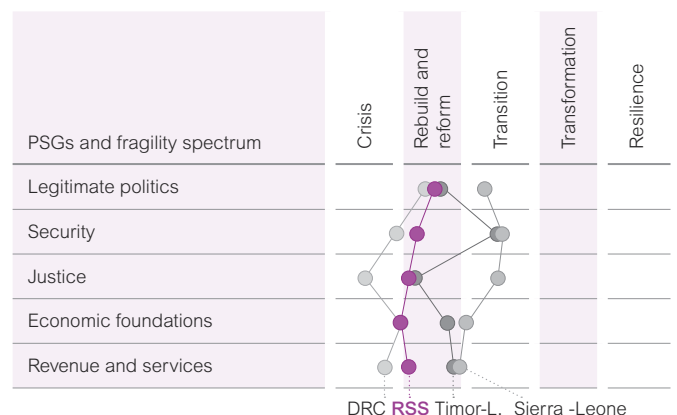
As a New Deal pilot country, South Sudan embarked on its first fragility assessment in August 2012, using a combination of consultations and research. Following newly developed g7+ guidance, a multi-day assessment workshop brought together 100 participants, including HE the Vice President, as well as ministers, advisors and representatives from central and 10 state governments, civil society, academia and international partners. In focus groups, participants considered drivers of fragility, progress in implementing the PSGs, challenges and priorities.

Following the workshop, a consultant worked with Government and partners to formulate a draft assessment report, and helped develop a first menu of indicators to situate South Sudan on the fragility spectrum. In addition to consultations, the assessment also drew on relevant literature and quantitative data, where available, to illustrate and validate perceptions. The findings and recommendations contained in a first draft were reviewed during a two-day validation workshop in November 2012, attended by more than 50 stakeholders. This draft summary report provides an overview of the key findings for each PSG.

South Sudan's fragility assessment aims to provide a first, and still limited, overview of progress, challenges and priority actions to help the country advance towards resilience. It should be understood as a qualitative rather than quantitative exercise, intended to contribute to an improved understanding of fragility. Better data availability, including upcoming perception surveys, and lessons learned during the first exercise will help improve future reviews.

OVERALL ASSESSMENT RESULTS

The overall assessment results suggests that the Republic of South Sudan (RSS) has made sufficient progress on all five PSGs since the CPA interim period and independence in July 2011 to move beyond the crisis stage of the fragility spectrum. While none of the PSGs have yet reached transition, reform efforts seem to have borne most fruit with regard to legitimate politics, following the 99.8 per cent vote for secession from Sudan in July 2011. Moving forward, key challenges include sustainable internal political settlements, the transformation of the security sector, reform of justice institutions, the creation of diversified economic foundations and strengthened capacity for accountable and equitable service delivery.



Sources: New Deal for International Engagement in Fragile States. www.g7plus.org.

LEGITIMATE POLITICS

Fostering inclusive political settlements and conflict resolution

CONCEPT

In fragile situations, trust in state institutions and among people tends to be weak. Peacefully resolving and managing conflict and building the state require inclusive political settlements, and committed and able leadership. It also requires political institutions that ensure accountability and provide opportunities for participation of all key groups in society, including the most vulnerable and marginalized. An engaged public and civil society which constructively monitors decision-making is important to ensuring accountability. Conflict legacies and the risk of future tensions make it critical to build capacities for reconciliation and conflict resolution at all levels.³

PROGRESS

Since independence, South Sudan has made significant progress in fostering inclusive politics as it strives to build a peaceful and prosperous state. Key progress includes:

- The promulgation of the Transitional Constitution in 2011 was a first important milestone in advancing legitimate politics.
- A National Constitutional Review Commission has been established in January 2012 to review the Transitional Constitution. It has formally begun its work in August 2012.
- A Political Parties Act was enacted in February 2012, the National Elections Act was signed into law in July 2012, and a National Election Commission was subsequently created to provide a framework for political pluralism.
- Formal representation of women in political fora has improved, in particular in the national and state legislative assemblies, in which women hold between 23 and 32 per cent of seats.¹
- In addition to key institutions, the Government has started or implemented several interstate peace initiatives, such as the All Jonglei Peace Conference of May 2012, and supported civil disarmament efforts to reduce inter-tribal tensions.
- Despite seasonal variations, incidents of inter- / intra-communal violence have begun to decrease markedly. Between January and October 2012, the number of conflict-related incidents stood at 237, compared to 444 during the period in 2011.²

ASSESSMENT RESULT

The assessment results show that South Sudan has made sufficient progress to move beyond the crisis stage. Key reform challenges now need to be tackled for a transition towards resilience.

Dimension	Crisis	Rebuild and reform	Transition	Transformation	Resilience
Political settlement		●			
Political processes and institutions		●			
Societal relations			●		

Sources: (1) NBS, Ministry of Parliamentary Affairs (2011); (2) Consolidated Appeal 2013.; (3) g7+, Fragility Assessment Guidelines.

SELECTED INDICATORS



CHALLENGES AND PRIORITIES BY DIMENSION

POLITICAL SETTLEMENT

Challenges

- Popular involvement in the review of the Transitional Constitution has so far been limited, as the National Constitutional Review Commission is yet to begin its consultative process.
- Sustainable implementation of internal peace initiatives, in particular for Jonglei state, has not yet been achieved. As of October 2012, Jonglei still accounted for 74 per cent of 1,326 conflict-related deaths during the year.¹
- Women's representation in political and civil service leadership positions remains limited. In 2011, women held only 23 of 132 state minister posts (17%), 1 of 10 Governor positions (10%), and 1 of 82 County Commissioner posts (1%).²

Priority actions

1. Finalise the revision of the Transitional Constitution through inclusive consultations at central, state and Boma level.
2. Initiate a nation-wide literacy campaign to strengthen opportunities for popular awareness of and participation in decision-making processes.
3. Provide better support to traditional authorities and conflict-resolution bodies so they can contribute to political settlements at local level.
4. Strengthen mechanisms for the engagement and promotion of women and marginalized groups in decision-making bodies to further broaden diversity of representation.

POLITICAL PROCESSES AND INSTITUTIONS

Challenges

- The population at large, 83 per cent of which lives in rural areas, feels disconnected from the political process and institutions in Juba and the 10 state capitals. High levels of illiteracy limit political awareness and involvement.³
- Popular confidence in political institutions and processes remains limited, due to perceptions of high levels of corruption, despite austerity measures and salary payment delays.
- The separation of powers remains blurred, in particular in instances where individuals are members of both the executive and the legislative.
- Political and civil service appointments are often perceived to be based on tribal relations, rather than qualification or merit.
- In the political institutions of South Sudan, formal political pluralism remains limited, as the SPLM holds between 77 and 100 per cent of seats in the national and state assemblies.⁴
- Fiscal austerity measures further strained the relationship between central and state governments, as block transfers to states were reduced on average by 25 per cent in 2012/13.

Priority actions

1. Institute a national literacy campaign and strengthen avenues for popular involvement in political decision-making processes.
2. Provide clear mandates for government institutions, and strengthen their capacity to carry out core functions.
3. Put in place public sector reform measures to improve the performance of service delivery.
4. Strengthen the judiciary and other accountability institutions to improve checks and balance in governance processes.
5. Strengthen political parties and their freedom to operate effectively in decision-making fora.
6. Clarify and strengthen relations between central and state governments, in particular with regard to fiscal transfers and other revenues.

SOCIETAL RELATIONSHIPS

Challenges

- Following decades of war, civil society institutions remain underdeveloped and often unable to strengthen inter-communal relations, or engage with and monitor Government institutions.
- Albeit reduced, inter-/intra-communal clashes recur with a seasonal pattern, fuelled by conflict for resources and a proliferation of small arms. Data from limited assessments suggests that up to 30 per cent of people believe Government's ability to effectively resolve conflicts between communities is limited.⁵

Priority actions

1. Strengthen civil society, and ensure it has space to operate effectively, in order to support pluralism, as well as oversight and accountability of public sector institutions.
2. Improve availability and accessibility of information on Government decisions, resources and performance, as well as civil rights and responsibilities.
3. Strengthen mechanisms for engagement of civil society, youth, women and marginalized groups in inter-ethnic, religious and conflict-resolution dialogues.

SECURITY

Establishing and strengthening people's security

CONCEPT

Without security for the people there can be little development. The challenge is to improve the behavior, effectiveness and accountability of a broad range of security actors, such as the military, police, penal, customs, and intelligence services, whether formal or informal. Particular attention needs to be paid to vulnerable groups, especially women and children. The participation of communities and civil society groups can make security provision more effective and more accountable.³

PROGRESS

Since the Comprehensive Peace Agreement (CPA) of 2005 and independence in 2011, a number of security institutions and reforms have been put in place:

- The South Sudan National Police Service (SSNPS), the National Security Council and a National Disarmament, Demobilization and Reintegration (DDR) Council have been established.
- A first post-CPA DDR programme has helped to start reducing the size of the army whilst also populating other security institutions, including the SSNPS, the Prison Service, the Wildlife Service and Fire Brigade.
- A number of reform initiatives, including a new National Security Policy and architecture, are underway in order to professionalize security sector institutions.
- Conflict-related fatalities have begun to decrease markedly. From January and October 2012, the number of deaths related to intra- and inter-communal or other armed attacks stood at 1,326, compared to 3,239 during the same period in 2011.¹
- Despite seasonal variations, internal displacement has begun to drop markedly. Between January and October 2012, the number of newly displaced people due to intra- and inter-communal violence or other armed attacks stood at 170,000, compared to 339,000 during the same period in 2011.²
- A number of disarmament campaigns have had some impact on reducing the number of small arms, albeit limited.
- Publication of quarterly crime statistics began in October 2012.

RESULTS

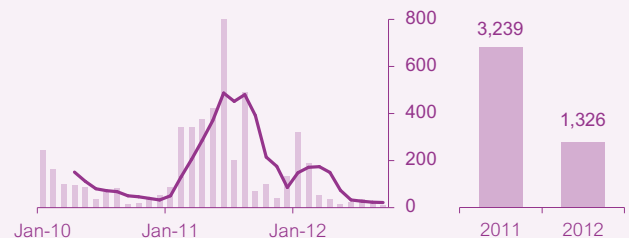
The assessment revealed that South Sudan has moved to the rebuild and reform stage. A number of priority actions now need to be addressed to further transform the security sector.

Dimension	Crisis	Rebuild and reform	Transition	Transformation	Resilience
Justice conditions		●			
Capacities and accountability		●			
Performance and responsiveness		●			

Sources: (1) Consolidated Appeal 2013; (2) *ibid.*; (3) g7+, Fragility Assessment Guidelines.

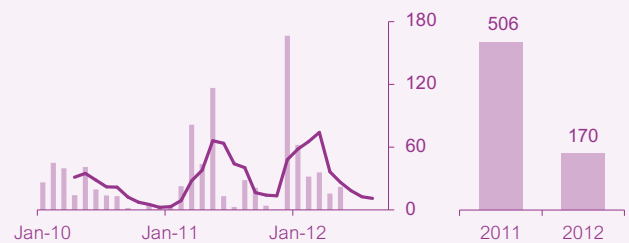
SELECTED INDICATORS

Conflict-related deaths (monthly and annual trends) ●



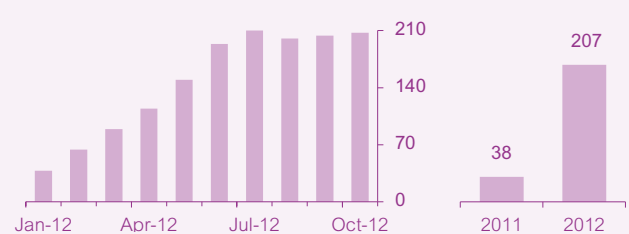
Source: Consolidated Appeal 2013. Annual figures refer to January to October.

Newly internally displaced people (monthly and annual, in '000) ●



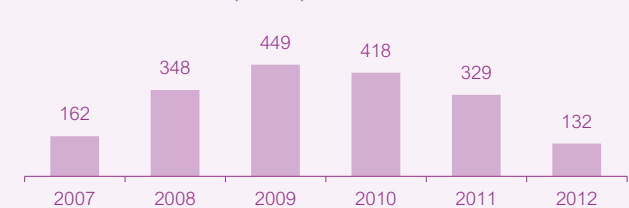
Source: SSRRC, Consolidated Appeal 2013. Annual figures refer to January to October.

Refugee population in South Sudan (monthly and annual, in '000)



Source: SSRRC, Consolidated Appeal 2013. 2012 figures up to 31 October.

Returnees from Sudan (in '000)



Source: SSRRC, Consolidated Appeal 2013. 2012 figures up to 31 October.

● Denotes PSG or PSG proxy indicator

CHALLENGES AND PRIORITIES BY DIMENSION

SECURITY CONDITIONS

Challenges

- A proliferation of small arms continues to create security challenges. As of early 2012, about 327,000 small arms were in circulation among known state and non-state actors in South Sudan.¹
- Insecurity in border areas, compounded by the arrival of more than 175,000 refugees fleeing insecurity in Sudan (bringing the refugee population to more than 200,000),² creates challenges for peace, stability and border management.
- Poverty and inequality continue to fuel conflict over resources such as water, cattle and land. As of 2010, 51 per cent of the population lived below the national poverty line of 73 Pounds per month (55 per cent in rural and 24 per cent in urban areas).
- Rural to urban migration, the return of 1.8 million South Sudanese since 2008,⁶ the arrival of refugees, and lack of clarity regarding land rights create security challenges in under-serviced areas unable to cater for growing populations.
- Domestic violence continues to impinge on security within the home. Data from limited surveys suggest that up to 45 per cent of people regularly fear crime in their own households.³

Priority actions

1. Strengthen civilian disarmament efforts, including through support from local authorities and traditional leaders.
2. Introduce stringent small arms registration and control measures, based on the finalized Small Arms Control Act.
3. Strengthen border and migration management.
4. Strengthen conflict early warning systems.
5. Improve training and employment opportunities for youth, and strengthen support to community security.
6. Strengthen legislation and practical efforts to combat domestic violence.

CAPACITIES AND ACCOUNTABILITY

Challenges

- A new post-CPA DDR programme to help right-size the security forces, targeting up to 150,000 ex-combatants and service members, is yet to fully begin.
- A first pilot phase of the new DDR programme has been hampered by fiscal austerity measures, construction delays and a lack of viable alternative income opportunities for demobilised soldiers.
- Corruption amongst officials is perceived to compromise internal and external security. Data from limited assessments suggests that a significant share of people believe the Government still needs to do a better job fighting corruption.⁴

Priority actions

1. Strengthen oversight and governance of the organised forces, based on a new National Security Policy and architecture.
2. Finalize the design and begin the implementation of a new DDR programme, combined with improved income opportunities for demobilised persons.
3. Strengthen support to the pilot DDR project, including for alternative income opportunities and infrastructure.
4. Combat bribery and corruption among officials and members of the security forces.

PERFORMANCE AND RESPONSIVENESS

Challenges

- Infrastructure, facilities and equipment of security forces are often not fit to the needs of responsive and effective services.
- Popular confidence in the security forces remains limited,⁵ due to insufficient training, command and control challenges, as well as delays in salary payments.

Priority actions

1. Continue implementing the transformation strategies for the security forces, including SPLA.
2. Strengthen training of security forces, including on human rights, to strengthen their capabilities and effectiveness.

JUSTICE

Addressing injustices and increasing people's access to justice

CONCEPT

Justice is a key element of peace- and statebuilding. Addressing grievances and deeply-felt injustice is essential. Formal justice mechanisms should be accessible, affordable and seen as fair by citizens. Where feasible, traditional non-state and informal means for dispute resolution and adjudication should be strengthened and gradually aligned with international human rights standards.¹

PROGRESS

Since the CPA in 2005 and independence in 2011, South Sudan has taken important steps in building its national justice system. Key achievements include:

- Vital institutions of the judiciary have been established, including the Supreme Court, courts of appeal, high courts and county courts, as well as a national prison service.
- Regulation of customary law and institutions, which in 2004 resolved an estimated 90 per cent of disputes,² is being strengthened, starting with the registration of customary courts.
- The National Legislative Assembly, which in August 2011 succeeded the Southern Sudan Legislative Assembly of 2005, continues to pass key legislation, such as the Judiciary Act (2008), Code of Criminal Procedure (2008), Penal Law (2008), Justice Chamber Act (2011) and Prisons Service Act (2011).
- The number of staff in the justice sector increases. As of 2012, positions for more than 330 judges, 360 counsels and 1,500 legal assistants are budgeted for, though some remain vacant.³
- In 2012, the Ministry of Justice, as well as the National Prison Service, launched strategic plans for the period 2012-15 to guide the further development of justice institutions.
- Popular awareness of constitutional, civil and human rights improves, albeit from a very low level.

RESULTS

Despite challenges, South Sudan has been able to move beyond the crisis stage. In order to transform the justice sector, a number of reforms and priorities actions, identified during the fragility assessment, need to be implemented in the years ahead.

Dimension	Crisis	Rebuild and reform	Transition	Transformation	Resilience
Justice conditions		●			
Capacities and accountability		●			
Performance and responsiveness		●			

INDICATORS

While some PSG indicators and proxies, such as the number of judges per 100,000 people, are available for South Sudan, the number of indicators for the justice sector remains very limited. Based on its Strategic Plan 2012-15, the Ministry of Justice is working on building a stronger evidence base with the support of partners.

CHALLENGES AND PRIORITIES BY DIMENSION

JUSTICE CONDITIONS

Challenges

- Confidence in the formal justice and corrections system is still low, while customary courts are increasingly losing legitimacy.
- Customary law is sustaining inequalities, in particular with regard to gender, due the prevailing practice of bride price, women's limited ability to inherit and other infringements on women's rights.
- Poverty limits access to formal justice systems, particularly in rural areas where 83 per cent of the population live.¹

Priority actions

1. Continue to design and enact priority legislation to further strengthen the formal legal framework.
2. Design and enact legislation protecting the rights of women and minority groups.
3. Design and enact legislation addressing domestic violence.

CAPACITIES AND ACCOUNTABILITY

Challenges

- Despite improvements, there is still a shortage of judicial and legal professionals, especially judges and lawyers.
- Professional knowledge and qualifications of many judicial, legal and corrections professional remain limited.
- The quantity of and quality of court infrastructure remains inadequate, particularly at sub-national level.
- While the prison population has surged from about 1,500 in 2005 to more than 6,000 in late 2011,² the quantity and quality of prison infrastructure remains inadequate.
- Corruption within the justice and corrections systems is perceived to be widespread, due the persistent collection of unofficial fines.
- The number of completed cases involving high-level officials is very low.
- Budget allocations to the justice sector (excluding police and prisons) represent only 3 per cent of the total Government budget in 2012/13.³

Priority actions

1. Increase the number of judicial and legal professionals, and strengthen training and qualifications of judicial, legal and corrections professionals.
2. Increase the quantity and quality of court and prison infrastructure, in particular at county and payam level.
3. Strengthen coordination between justice, police and corrections services to address variations in performance.

PERFORMANCE AND RESPONSIVENESS

Challenges

- Whilst a basic legal framework and key legislation have been enacted, implementation remains weak.
- High levels of illiteracy, poor dissemination and language barriers limit popular awareness of applicable laws, particularly amongst rural communities.
- Perceptions of overall performance of the rule of law remain weak. Data from limited assessments suggests that a significant share of people believe Government needs to do a better job in fighting crime.⁴

Priority actions

1. Strengthen the capacity of judicial, legal and corrections institutions and personnel to improve the implementation of basic legal frameworks.
2. Implement effective and efficient case management systems for the justice sector.
3. Improve dissemination and accessibility of basic laws, and implement civic education campaigns to improve popular awareness of legal and human rights.
4. Implement measures to improve popular access to justice, including legal aid programmes.

ECONOMIC FOUNDATIONS

Generating employment and improving livelihoods

CONCEPT

Building economic foundations is vital to the success of peace- and statebuilding. Economic prosperity, investments in the future and economic opportunity increase the confidence in Government, and can help reduce violence and conflict. The key challenge in many fragile states, including South Sudan, is to generate income opportunities fast enough, including for marginalized groups and youth. In the short-term, such opportunities can be created through labor-intensive public and community works. In the long-term, strong economic foundations also require economic diversification, an educated workforce and strong regulatory frameworks, in particular for resource management.³

PROGRESS

Over the past years, South Sudan has taken important steps in building its economic foundations. Key achievements include:

- A regulatory framework for natural resource management is being put in place. A Petroleum Bill was passed in 2012. A Petroleum Revenue Management Bill exists in draft, foreseeing the establishment of a Future Generations Fund and oil stabilization account. Management institutions, such as the Ministry of Petroleum and Mining, have been established.
- A basic legal framework for private sector development has been created, including the Limited Partnerships Act (2008), Business Registration Act (2008), Contracts Act (2008), the Investment Promotion Act (2009), the Cooperatives Societies Act (2011) and Consumer Protection Act (2011).¹
- Key financial institutions have been established. In July 2011, the Central Bank of South Sudan was formally created, and 8 commercial banks operated under its license.
- Private sector activity is accelerating. Between 2005 and 2010, the total number of businesses operating in South Sudan rose from less than 1,000 to more than 7,300. More than 2,200 of which were founded in 2010 alone.²

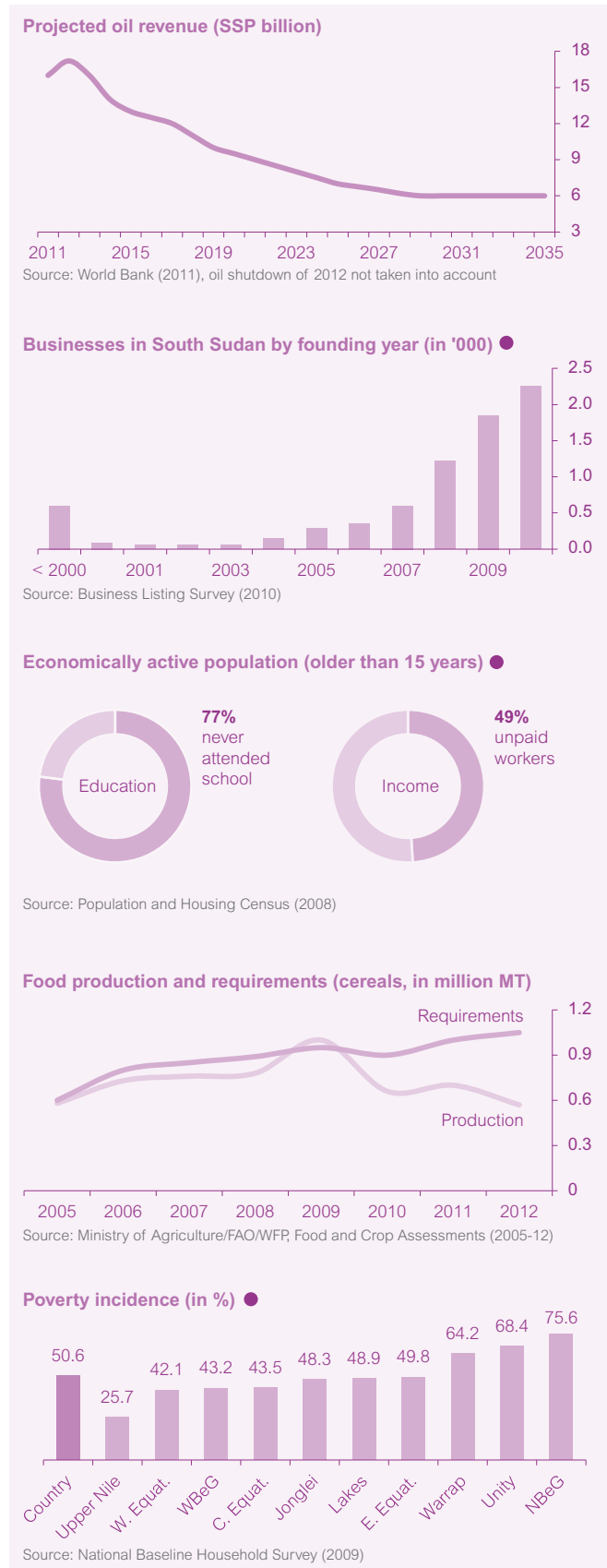
RESULTS

The assessment results show that South Sudan has made sufficient progress to move beyond the crisis stage. Several reform challenges now need to be tackled for a transition to resilience.

Dimension	Crisis	Rebuild and reform	Transition	Transformation	Resilience
Productive resources and prospects for growth		●			
Jobs, livelihoods and private sector development		●			
Natural resource management		●			

Source: (1) Government of South Sudan (goss-online.org); (2) Business Listing Survey (2010); (3) g7+, Fragility Assessment Guidelines.

SELECTED INDICATORS



CHALLENGES AND PRIORITIES BY DIMENSION

PRODUCTIVE RESOURCES AND PROSPECTS FOR GROWTH

Status and challenges

- Economic diversification is low. In 2011, 98 per cent of Government revenue was derived from oil. Based on known reserves, oil production is expected to drop sharply within 25 years.¹
- Despite enormous potential, the agricultural sector remains under-developed. In 2010, only 4.5 per cent of arable land was cultivated and only 4 per cent of South Sudan's 12.2 million cattle were used for commercial purposes each year.³
- Infrastructure remains embryonic. As of 2011, only 2 per cent of the estimated 10,000 km primary roads had been paved and electricity production capacity was estimated to be 25 MW.⁴
- Income inequality is high and likely to increase. In 2009, the Gini co-efficient was .46 and 55 per cent of rural households were classified as poor, compared to 24 per cent in urban areas.²

Priority actions

1. Develop strategies and policies for sustainable and inclusive growth that help reduce oil dependence.
2. Increase local food production and support the development of food processing and export industries.
3. Construct and maintain inter-state, trunk and feeder roads to strengthen market access and trade.
4. Strengthen planning for and investment in river, railway and air transport, as well as hydropower, and information and communication technology.

JOBS, LIVELIHOODS AND PRIVATE SECTOR DEVELOPMENT

Challenges

- While employment opportunities are improving, they do so from a low level. As of 2008, the nominal unemployment rate was 12 per cent, but 49 per cent of economically active adults were unpaid family workers and only 13 per cent paid employees.⁵
- Lack of education and training limits employment chances. As of 2008, 77 per cent of the working-age population had never attended school.⁶
- Livelihoods vulnerability remains high. In 2011, 48 per cent of households were estimated to be moderately or severely food insecure. During the lean season, households typically spend more than 60 per cent of their income on food.⁷
- While access to finance is improving, most people are not yet participating in the financial system. As of 2009, only 1 per cent of households had opened a bank account, and total micro-finance loans were estimated to be US\$ 26 million in 2011.⁸
- Limited infrastructure, incomplete legal frameworks as well as security concerns in some parts of the country constrain investment. As of 2011, South Sudan ranked 159 out of 183 countries for the ease of doing business.⁹

Priority actions

1. Invest in skill development, vocational training and professional qualification, in particular for youth.
2. Invest in secondary and tertiary education.
3. Strengthen systems for monitoring and mitigating food insecurity.
4. Strengthen the legal framework for financial institutions and expand access to finance, in particular for small businesses.
5. Foster a culture of entrepreneurship and improve the regulatory environment for private sector development and cross-border trade.

NATURAL RESOURCE MANAGEMENT

Challenges

- The regulatory framework for natural resource management remains incomplete. The Petroleum Revenue Management Bill has been designed but remains to be enacted.
- South Sudan is not yet a member of the Extractive Industries Transparency Initiative (EITI).
- Local employment in the natural resource exploitation and management remains limited.

Priority actions

1. Improve the management of the oil and mining sector, and their respective institutional frameworks.
2. Pass the Petroleum Revenue Management Bill, and subsequently set up the Future Generations Fund.
3. Sign up to the EITI.
4. Increase investment in resource extraction, transport and processing and refining capacity.

REVENUE AND SERVICES

Managing revenue and building capacity for accountable and fair service delivery

CONCEPT

The ability to raise, prioritize and manage resources for increased capacity social services is critical. Increasingly, the state will have to lead in setting the framework and coordinating equitable service delivery, including by non-state providers. Building a transparent system of public financial management is essential to instill confidence in citizens to pay taxes, in donors to contribute aid and in businesses to invest. Of equal importance is donor transparency about their support. In South Sudan, which relies heavily on natural resources, it is also vital that oil is managed transparently and benefits all of society.³

PROGRESS

Since independence, South Sudan has implemented key reforms to improve revenues and services. Key advances include:

- A Taxation (2009) and Public Financial Management and Accountability Act (2012) are in place and a modern budget execution, control, and payment system is being implemented.
- An Integrated Financial Management Information System (IFMIS), using FreeBalance, is in place at central level and has been progressively rolled out to states since June 2010.
- Starting with the 2012/13 budget period, quarterly budget execution reports are produced and shared with the National Legislative Assembly.
- A centralized Budget Planning System (BPS) was first put in place for the 2012/13 budget and results-orientation was strengthened for the 2013/14 budget formulation process.
- Reforms following the oil shutdown in January 2012 have led to strong improvements in non-oil revenue collection. Between July 2011 and October 2012, monthly revenue from taxes, customs and fees increased from SSP 17 million to 73 million.¹
- There have been clear improvements in service delivery capacity, with development partner support. For example, the number of births attended by skilled personnel increased from 10.2 per cent in 2006 to 19.4 per cent in 2010. Infant mortality decreased from 102 per 1,000 live births to 75 during the same period.²

RESULTS

Despite uncertainty, South Sudan has made sufficient progress in revenue collection and service delivery to move beyond the immediate crisis stage. Key priority actions now need to be addressed.

Dimension	Crisis	Rebuild and reform	Transition	Transformation	Resilience
Revenues		●			
Public administration		●			
Service delivery		●			

Source: (1) Ministry of Finance and Economic Planning; (2) Household Health Survey (2006/10); (3) g7+, Fragility Assessment Guidelines.

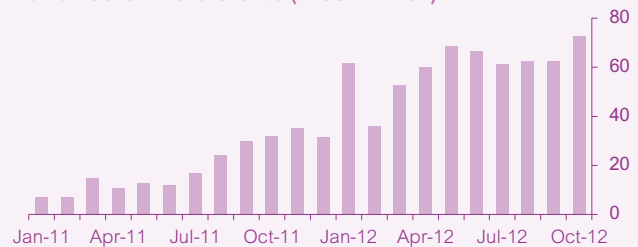
SELECTED INDICATORS

Oil and non-oil Government revenue ●



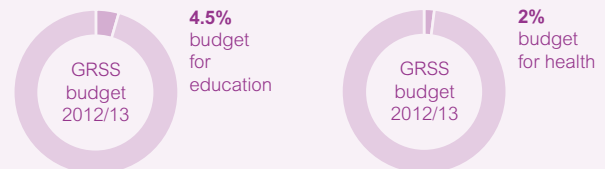
Source: Ministry of Finance and Economic Planning (Oct 2012)

Non-oil Government revenue (in SSP million) ●



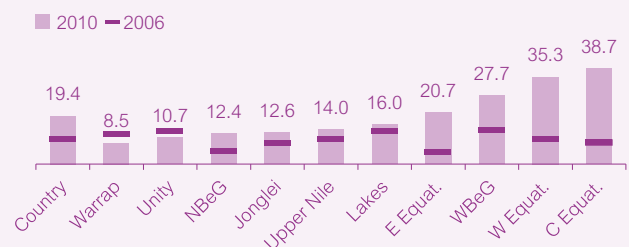
Source: Ministry of Finance and Economic Planning (Oct 2012)

Central Government budget for social sectors ●



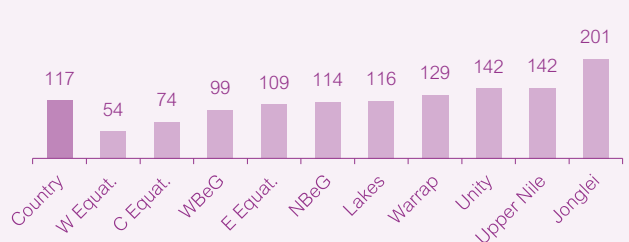
Source: GRSS Budget 2012/13, Ministry of Finance and Economic Planning (2012)

Health: births attended by skilled personnel (2010 vs 2006) ●



Source: NBS, Household Health Survey (2006, 2010)

Education: pupils per trained teacher in primary schools (2010) ●



Source: NBS, South Sudan Statistical Yearbook (2011)

● Denotes PSG or PSG proxy indicator

CHALLENGES AND PRIORITIES BY DIMENSION

REVENUES

Challenges

- Before the oil shutdown in January 2012, 98 per cent of Government revenue was derived from oil.¹
- While non-oil revenue collection has improved, it remains insufficient. As of October 2012, non-oil revenue covered only 13 per cent of budgeted monthly expenses of SSP 560 million.²
- Fiscal relations between central and state level remain sub-optimal. With changes to the Taxation Act pending, the Central Tax Collection Agreement has not been fully implemented.
- Corruption and impunity of revenue collectors are perceived to be a prevailing problem.

Priority actions

1. Support measures for diversification of economic activity and fiscal revenue sources.
2. Strengthen implementation of tax legislation and collection agreements.
3. Strengthen debt and cash management capacity.
4. Enact the Petroleum Revenue Management Bill and set up the Future Generations Fund and oil stabilization account.
5. Strengthen revenue transparency, including through increased support to the South Sudan Anti-Corruption Commission.

PUBLIC ADMINISTRATION

Challenges

- While the legal framework for public financial management has improved significantly, key legislation is still pending or in draft form. As of October 2012, the new Public Procurement and Disposal Bill (2012) had not been passed.
- Key public sector tools, including a medium-term fiscal framework (MTFF) and a pension scheme, are not yet implemented.
- Capacity for public financial management remains sub-optimal, in particular with regard to procurement, accounting and reporting as well as cash and debt management.
- While control measures introduced in the 2012/13 budget period have improved spending discipline, budget execution and control remains sub-optimal.

Priority actions

1. Complete the framework for public financial management, including the Public Procurement and Bill (2012) and an MTFF.
2. Strengthen the regulatory framework for the civil service, including through passing of the draft Pension Scheme Bill (2012) and the Pensions Fund Bill (2012).
3. Strengthen implementation of the public financial management, civil service and procurement frameworks and tools, in particular at sub-national level.
4. Strengthen human resource and performance management systems for the public sector.
5. Strengthen fiscal decentralization to enable local Governments to deliver services.

SERVICE DELIVERY

Challenges

- Government spending on social sectors remains limited. In the 2011/12 fiscal year, only 4.5 per cent of the central Government budget went towards education, and 2 per cent to health.³
- Service provision differs between the 10 states. As of 2010, for example, the percentage of births attended by skilled personnel varied between 8 and 39 per cent. Similarly, the ratio of pupils per trained teacher ranged from 54 to 201.⁴
- Whilst service provision in urban areas has improved, rural areas remain underserved. In 2010, for example, 10.1 per cent of children below 2 years in urban areas were fully immunized, but only 5.1 per cent in rural areas.⁵
- In some sectors, NGOs are the main service providers. As of 2011, NGOs provided about 60 per cent of medical consultations and services, largely sustained by short-term funding.⁶
- Public perception of Government performance in service delivery is weak. Data from limited assessments suggests that most people believe Government needs to provide more services.⁷

Priority actions

1. Increase budget allocations to social services, including for health, education and water, as well as for agriculture and infrastructure.
2. Put in place long-term financing mechanisms for donor and government support to social services.
3. Address variations in social service delivery between states, as well as urban and rural areas.
4. Strengthen capacity for public service delivery, in particular at local level.

COMMON SHARED INDICATORS

Peace- and statebuilding indicators, proxy-indicators and sources in South Sudan (selected)

	Dimension	Indicator	South Sudan	
Legitimate politics	Political Settlement	Diversity in representation in key-decision making bodies	● Available (NBS/Ministry of Parliamentary Affairs).	
		Perception of representation (and its effectiveness) in government	○ Not yet available.	
		% of provisions of political settlements honoured and implemented	● Available for international agreements.	
	Political processes and institutions	Participation in elections and political processes	● Available (South Sudan Referendum Bureau).	
		Level of satisfaction with the quality of the election process	○ Not yet available.	
	Societal relationships	Number of intergroup disputes resolved peacefully	▼ Proxy only. Incidents of communal violence (UN).	
Security	Security conditions	Violent deaths per 100,000 population	▼ Proxy only. Conflict-related deaths (UN).	
		Major and minor assaults per 100,000 population	● Available (National Crime Statistics).	
		Incidence of cross-border violence	▼ Proxy only. Cross-border incidents (UN).	
		Internal displacement (# of IDPs, by conflict)	● Available (UN).	
		Perception of security conditions	▼ Proxy only (High Frequency Survey).	
	Capacity / accountability	Capacity to monitor, investigate and prosecute police misconduct	○ Not yet available.	
	Performance and responsiveness	Level of confidence in police/security	▼ Proxy only (High Frequency Survey).	
		Perception of corruption of security forces	▼ Proxy only (High Frequency Survey).	
	Justice	Justice conditions	% trust in customary justice system, % trust in formal justice system	▼ Proxy only (High Frequency Survey).
		Capacity / accountability	% of overall budget allocated to justice sector and expenditures	● Available (Ministry of Finance and Econ. Planning).
% of population who perceive they have access to justice			○ Not yet available.	
Number of judges per 100,000 population			● Available (Ministry of Finance and Econ. Planning).	
Performance and responsiveness		Perception of overall performance of the justice system	○ Not yet available.	
		Population with awareness of legal and human rights	○ Not yet available.	
Economic foundations	Productive resources and prospects for growth	% of population with access to roads and electricity	● Available (NBS, UN).	
		Income inequality among regions (gini coefficient)	● Available (NBS, Baseline Household Survey)	
		Level of economic diversification by productive sector	● Available (NBS, National Accounts)	
	Jobs, livelihoods and private sector development	Level of employment (by youth, gender, region)	● Available (NBS, Census/Baseline Household Survey)	
		Number of newly registered businesses and SMEs	● Available (NBS, Business Survey Listing).	
		Share of food in household expenditure	● Available (NBS, Food Security Monitoring System).	
	Natural resource management	Ratio of local/foreign employment in the natural resource sector	○ Not yet available.	
		Existence of regulatory framework for nat. resource management	● Available (Ministry of Finance/Ministry of Petroleum)	
		Perception of participation in and benefits from natural resources	○ Not yet available.	
		Ratio of natural resource revenue to total government revenue	● Available (Ministry of Finance and Econ. Planning).	
Revenues and services	Revenues	State control/monopoly over tax, customs and fee collection	○ Not yet available.	
		Tax revenue as share of total revenues	● Available (Ministry of Finance and Econ. Planning).	
		Tax effort	○ Not yet available.	
	Public administration	Quality of public financial management and internal oversight	▼ Proxy only (Ministry of Finance and Econ. Planning).	
		Budget execution rate in ministries at central and subnational level	● Available (Ministry of Finance and Econ. Planning).	
		Number of public officials sanctioned for corruption and bribery	● Available (Ministry of Justice).	
	Service delivery	Existence of service delivery quality standards in gov't agencies	○ Not yet available.	
		Social spending as share of total spending	● Available (Ministry of Finance and Econ. Planning).	
		Health personnel per 10,000 people and teachers per 100 students	● Available (NBS, Household Health Survey; EMIS).	
		Public satisfaction with service delivery	▼ Proxy only (High Frequency Survey).	

Acknowledgements: The fragility assessment process in South Sudan has been carried out with support from the Capacity Building Trust Fund (CBTF), Denmark, the g7+ Secretariat, the ODI Budget Strengthening Initiative, UNDP, and the World Bank.

