

HABITAT III



National Report

by

The Republic of South Sudan

for

**3rd UN Conference on
Housing and Sustainable Urban Development**

July 2016

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FOREWORD

EXECUTIVE SUMMARY

INTRODUCTION

In 1976, the United Nations convened the Habitat I conference in Vancouver, Canada, when governments began to recognize the consequences of rapid urbanization, particularly in the developing world. Twenty years after the Habitat I conference, commitments to addressing the consequences of rapid urbanization were reaffirmed at the Habitat II conference in 1996 in Istanbul, Turkey. At the Habitat II conference, world leaders adopted the Habitat Agenda. The Habitat Agenda read “Solidifying a Global, Multi-stakeholder Commitment to a Set of Principles and Plan of Action in Pursuit of *Adequate Shelter for all and Sustainable Human Settlements Development in an Urbanizing World*”.

In 2016, the Habitat III conference will be held, twenty years after Habitat II. Like Habitat II, Habitat III will define global urban priorities for the next twenty years. The Habitat III conference will generate a New Agenda for the 21st century, which will recognize the changing dynamics of human civilization, and (Source: <http://unhabitat.org>).

In preparation for the first meeting of the Preparatory Committee for the Habitat III conference, that will be held in September 2014, Governments were required to prepare Habitat III National Reports. The Habitat III National Reports will evaluate/review the implementation of the Habitat II agenda, as well as identify new challenges and emerging trends. The reports will also propose a future vision for sustainable human settlements and urban development, as a basis for the formulation of a New Agenda.

The preparation of the Habitat III National Report focused on the following thematic areas; demographic issues, national urban policies, urban planning and design, housing, land and security of tenure, urban economy and employment, disasters and resilience, environment and climate change and any other key issues deemed important within the national context.

In South Sudan, a need to embark on this assignment became even imperative considering the emerging needs for housing and basic services. The independence of South Sudan in 2011 created a new hope for prioritizing, identifying and aligning our national agenda to the global Agenda. Habitat III national report could not have come in a better time than now.

Based on the requirement and specification of compiling a refined report for the country, a series of consultative meetings and seminars were organized locally and country-wide level respectively. Prior sensitization meeting were designed and arranged and prepared along the following thematic areas: Population and Demography, Urban Planning and Design; Urban Economy; Housing and Basic Services; Social Development; Environment Management and Urbanization; Transport and Mobility; and Urban Governance.

Summary of Activities Undertaken:

In addition to the meeting that was held between the Directorate of Housing and the National Habitat Committee, both the Secretariat and the Consultant embarked on a review of literature to the scope of the assignments exercise. Below are documents the group has gathered and reviewed;

- Media publications, Newspapers, Seminars, Workshops and meetings
- The Draft Urbanization Policy (Draft in October, 2013)

- The Draft National Housing Policy (2012) and strategic plans approved by Cabinet in 2013
- Urban Housing Sector Profile (Compiled in June 2012)
- Reports on Housing Finance Corporation (Drafted and approved by CoM in 2013)
- The Draft South Sudan Land Policy (2013)
- South Sudan Development Plan (2010/11 – 2014/15)
- State of South Sudan Population Report; “Planned Urbanization for South Sudan’s Growing Population (Drafted in 2013)
- Reports on Slum Upgrading (Drafted in 2013)
- Engineering Council of South Sudan Act (2012)
- Reports on the State of the Economy
- Laws and Regulations (Draft concept paper on Physical Planning Policy 2014; Public Health Act, and among others)
- The Land Act, (2009)
- Telecommunication and Postal Services Sector Policy Framework, (2008)
- South Sudan Development Initiative, (2015)
- South Sudan Transport Sector and strategic plans approved by Cabinet in April 2013
- Terms of Reference for Consultancy services to develop South Sudan’s Transport Master Plan 2015 – 2025

This Report constitutes the final deliverable of this assignment. From the onset, the Consultant wishes to state that what was presented in the inception and interim reports remains valid and, therefore, need not be further elaborated upon. The contents of this Report are, largely intended to establish consensus and to consolidate mutual endorsement of the Terms of Reference (TOR) between the Employer (MLHPP) and the Consultant to achieve a common objective of producing a harmonized National Habitat III Country Report.

The final report articulates the outcome of the various consultations which took place during the months of August and November 2014, and taking note of inputs, observations, findings and recommendations.

I. Urban Demographic Issues and Challenges for a New Urban Agenda

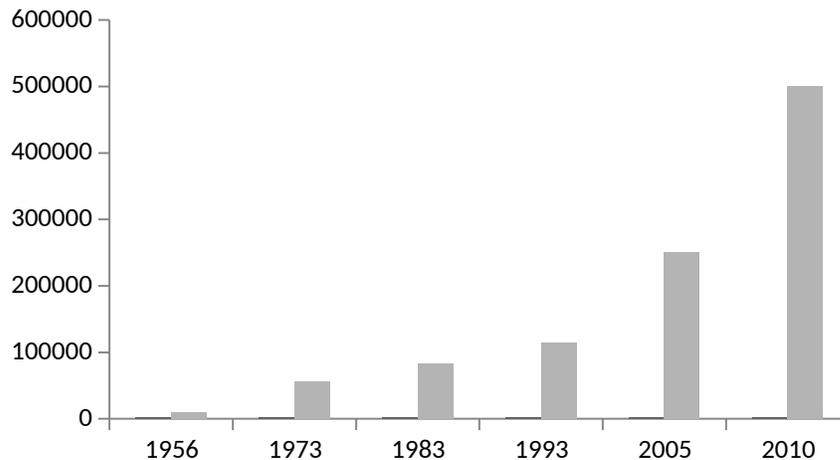
1. Managing Rapid Urbanisation

The increase in the number of people in urban areas exerts pressure on cities to provide and keep up with the demand for housing, social, economic infrastructure and employment opportunities for a growing population of poor households, most of whom reside in informal settlements. (See Chart 1)

Risk factors associated with urbanisation – overcrowded living conditions in informal or slum settlements, unemployment, insecure tenure, food insecurity, poor access to services, health risks associated with pollution and poor sanitation, the proliferation of small arms and high levels of crime and displacement – are all areas of concern.

Chart 1:

Population growth of Juba capital of South Sudan



Sources: USAID, 2005; HPG

interviews, 2010.

Developing an urban structure is critical to the economic development of South Sudan. Yet currently the basic building blocks needed for development – institutional structure, financial system, health and education infrastructure, human resources, active private sector and economic activities, and an operating inter-urban transportation system – are either missing or still at an embryonic stage.

The South Sudan urban development strategies focusing on land use, housing, land allocation, building, water supply, sanitation, waste management, and electrical supply and road improvements. The urban development strategy proposes general planning recommendations on housing and land use, the city core, urban and socio-economic services, traffic and environment

Centre of the City

The central area should provide space for government and other public buildings, social infrastructure; private commercial and office buildings; the central market place; parks and leisure areas, etc. A compact city centre – the city core containing these assets will concentrate the larger demand for better standards on water supply, sanitation, waste management, electricity and communications. In principle, the city core should be a model for what the city will become in the future.

Urban services

It is important that access to safe water and electricity should be made available to all inhabitants. Together, both services provide significant benefits to the wellbeing of the population, such as improved health conditions and economic growth. Affordable user charges should be collected to assure sustainability, preferably through a PPP scheme (Public Private Partnership). Other services such as waste collection and maintenance of public latrines can also be operated through PPP (Public Private Partnership).

Social Services

The school and health infrastructure should be given priority in the implementation programme as a pre-investment for future economic development and therefore should be accessible to the whole urban population

Industrial area

According to the economic potential of each city, suitable areas in the urban periphery should be reserved for industrial use so that heavy traffic is diverted from the city centre.

Traffic and Road net work

The road system should be consolidated, yet a high priority should be given to provide for pedestrian and bicycle traffic. Transportation terminals, along with ancillary maintenance, repair services, storage and warehousing facilities should be foreseen. This is an economic function that can kick off immediately and should be stimulated.

2. Managing rural-urban Linkages

Understanding urbanisation and the links between rural and urban areas is fundamental to making the most of the global transformations happening around the world, and to challenging the many myths that exist.

Urbanisation is not just about what happens in the cities but is part of broader transformations under way. Although people and their activities tend to be classed as either 'rural' or 'urban', in fact the links between rural and urban locations, people, and activities are key.

Urbanisation needs to be seen as part of wider transformations that include the change in the global economy and that include both urban and rural areas. We need to look too at the migration of people from one area to another, and at the growth rates of urban population. Also key is that urbanisation benefits wider region, and not just the urban settlements themselves

Good example is of the rural urban linkages is Rurban Africa, which is all about collaboration. Linking rural and urban parts of sub-Saharan Africa and addressing the critical connections, this project is championing progress and challenging some of the myths that hinder development.

In south Sudan the urban population is 17% and the rural population is 83% (SSCCSE, 2008). South Sudan is a poor region, despite its abundant natural resources, largely due to protracted conflict. Fifty-one percent of South Sudanese are poor (55% in rural areas and 24% in urban areas (SSDP, 2011).

Poverty reduction requires a particular focus on rural transformation and the delivery of essential social services. Rural development especially will be crucial for improving livelihoods and food security, and expanding employment opportunities for the very large numbers of poor living in towns and rural communities throughout South Sudan. It will require continued improvements in transport infrastructure, increased agricultural and livestock production, clarification of issues pertaining to land, as well as improved access to markets, inputs, and finance and extension services. Measures that promote rural development also serve to diversify the economy. Second, actions to improve key basic social services, such as health, education and water and sanitation, also address poverty by increasing well-being and labour productivity. The government has included in SSDP 2011 outline four building blocks as follows:

- Improving governance;
- Achieving rapid rural transformation to improve livelihoods and expand employment opportunities;
- Improving and expanding education and health services; and
- Deepening peace building and improving security.

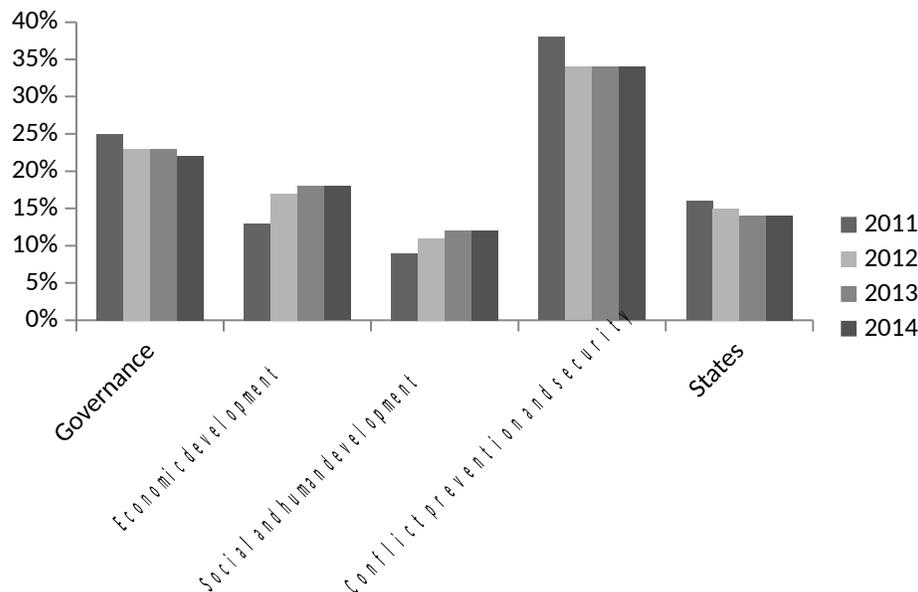
Rural Development

- To increase crop production and land/ vegetation cover
- Improve inter-state, trunks and feeder roads routinely maintained on sustainable basis and road safety to enhance economic growth
- An integrated set of mutually reinforcing initiatives is planned and being implemented to remove impediments and achieve the economic development objective by initially focusing

on renewed rural development and diversifying into broader private sector development. These are:

- **Extending and upgrading transport infrastructure, especially roads.** This is critical to connect farmers to markets and includes plans to asphalt 700km of trunk roads and 1000km linking major towns; expand the feeder road network, and strengthen maintenance for all roads.
- **Clarifying issues pertaining to land to ensure access and tenure.** A revised Land Act is being prepared to create an appropriate policy environment for peace, successful conflict resolution and private investment especially in agriculture and natural resources but also in urbanisation. During the SSDP period, implementing regulations will also be drafted and pilot-tested to clarify and define the roles and responsibilities of land governance in rural areas. Access to land for returnees is to be secured to lessen related pressure for conflict and help rural growth. Returnees and former combatants, and women and young people, must have access to land in order to participate in this renewed rural growth.

South Sudan Plan expenditure allocations



- **Improving access to extension and veterinary services, basic farming tools and inputs, and markets.** An integrated extension system is being jointly developed by GoSS and states, together with the continued provision of basic agricultural tools and access to input for all, including women, returnees and former combatants.

The chart below shows the increase budget allocation expenditure for social, economic development

Chart No 2

3. Addressing urban youth needs

According to 2008 Sudan Housing and populations census, youth are those within age range of 18-35. They form 70% of South Sudan population. The youth literacy is 24% for male and 15% for

female (UNESCO). In addition to the illiteracy the youth are facing the problem of HIV (0,6% male, and 1.1% female) according to world Bank report 2008. The other serious problem of urban youth is unemployment. Unemployment in South Sudan is high. Insufficient labour demand, lack of skilled labour supply .absence of coherent government policy, lack of sound legal regulatory frame work limit the absorption of youth by labour market.

South Sudan Development 2011 (SSDP) has clearly included youth development plan ,for example it has indicated that Youth employment is a key factor in social stability. An active youth policy is required to ensure that youth are fully integrated into society, especially through programmes to transform the livelihoods of young people, including girls, in the rural areas.

In the exercise of its scrutiny of legislation and oversight functions, it is the responsibility of SSLA to address matters of youth as a cross-cutting issue. MoPA will continue to address issues of youth visibility, empowerment and participation in national processes through regular sessions of the Youth Parliament in its promotion of democratic governance. Other agencies, including MoLPS, MoHRD and SSCSE, have a responsibility to prioritize youth issues in their policy development and implementation and in public information campaigns. Effective coordination with international partners, including NGOs working in this area, is vital to linking humanitarian assistance activities to SSDP.

4. Responding to the needs of the aged

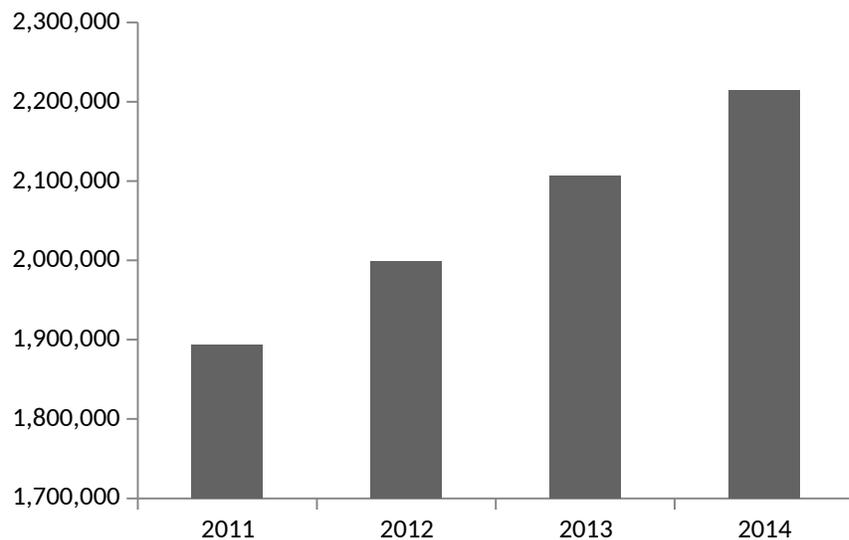
The number of older persons is increasing most rapidly in urban areas of developing countries,” said Dr. Prafulla Mishra, Regional Director, Help Age International-East, West, and Central Africa. This means the number of people over 60 living in cities may grow to over 900 million by 2050 – making up a quarter of the total urban population in developing countries. The population of older person in South Sudan was 3% in 2011, 2012, 2013, and 2014 as show in in the chart below.

After and before the independence of South Sudan, housing problem had been among the hot issues that have been facing the poor citizens in Juba. Access to health services was another challenge facing older people. There was not much information about where to access services and whatever was available was displayed on posters that many older people could not read because they were illiterate (Help Age International)

The Government is currently planning and initiating policies for a future in which increasing numbers of older people, living longer, will require more resources.

This quantitative report uses existing data to examine the needs of people over 65, including: expenditure; health, services, housing and income.

Urban population South Sudan



On international day of older person, in Juba, in October 2015, Help Age international said The Government of Africa's youngest nation is better placed to develop urban environments that are favourable to older persons.

Help Age International lauds the tremendous efforts being done by the Government of South Sudan to address housing issues and making better the urban environment especially in areas such as Gudele, Munuki Payam, Nyakuron and Rock city.

Help Age International lauds the GOSS for its initiatives in real estate, creation of affordable funds for the construction industry and appropriate policies to hasten urban development.

Help Age International and the Danish Refugee Council (DRC) are launching an initiative focusing on the protection of older refugees, one of the most vulnerable groups in displacement situations. The project will take place in South Sudan's Upper Nile State where 110,000 refugees have crossed the border from Sudan.

Chart No. 3

5. Integrating gender in urban development

Gender equality

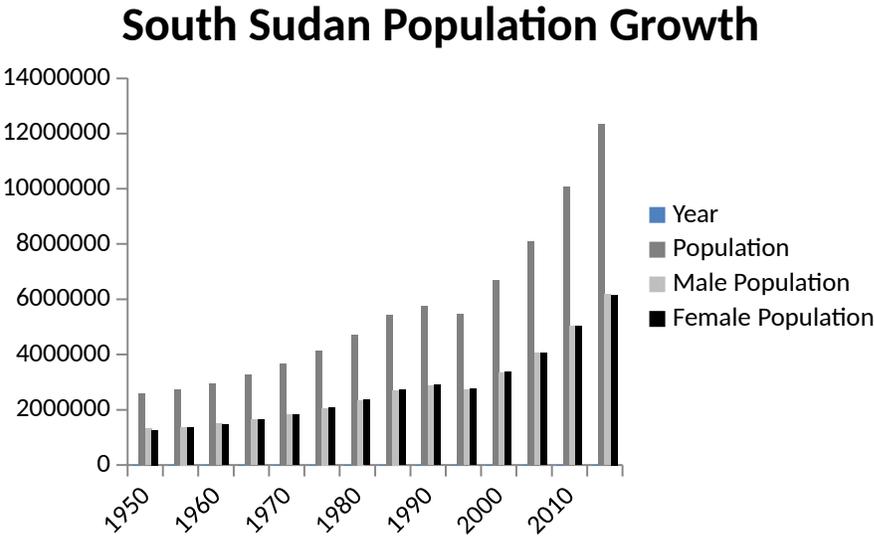
Female are 50% of south Sudan populations (see the chart). The women of the Republic of South Sudan had also been active in liberation causes, by "providing food and shelters" to soldiers and by "caring for children" and by "caring for wounded heroes and heroines" during their political struggle prior to the country's independence. An example was their formation of the Katiba Banat ("women battalion") So women deserved to fully enjoy their political, social, economic... etc. The government of South Sudan in its SSDP 2011 had indicated the Recognition the principle of at least 25% equal representation for women at all levels of government and sectors as stipulated in the South Sudan Transition Constitution 2011. SSDP 2011 also referred to the President of Southern Sudan's inauguration speech after his popular election in 2010 in which he talked of the provision of 30% participation of women. The governance pillar therefore proposes:

- A minimum representation of 30% for women in decision-making positions at all levels, including transitional institutions and all commissions established under CPA and beyond;

- Support for urgent programmes to address negative customs and practices which continue to foster women’s marginalization and exclusion in all spheres of life; and
- Support for and enhancement of women’s effective political participation and leadership at all levels, including within political parties with strong and urgent support to capacity-building for women’s leadership.

It should be noted that the Interim Constitution of Southern Sudan 2005 stipulates:

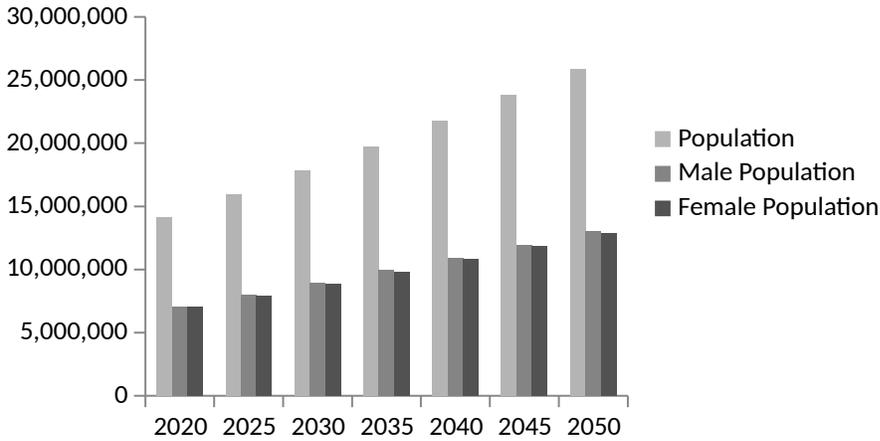
1. Women shall be accorded full and equal dignity of the person with men;
2. Women shall have the right to equal pay for equal work and other related benefits with men;
3. Women shall have the right to participate equally with men in public life;
4. All levels of government shall:
 - a. Promote women’s participation in public life and their representation in the legislative and executive organs by at least 25% as an affirmative action to redress imbalances created by history, customs, and traditions;
 - b. Enact laws to combat harmful customs and traditions which undermine the dignity and status of women; and
 - c. Provide maternity and childcare and medical care for pregnant and lactating women.
5. Women shall have the right to own property and share in the estates of their deceased husbands together with any surviving legal heir of the deceased.



Gender equality –

female-headed households make up a significant number of both the urban and rural poor. It is especially important that activities are designed to promote equal opportunity or access for men and women. For example, in the natural resources sector it will be important to ensure that women are not disadvantaged when seeds and tools are distributed as part of community development activities, or in terms of access to extension services. Similarly, that measures in Economic Functions related to the enabling environment are gender sensitive such as clarification of property rights and land tenure which seek to end discrimination between men and women, and access to credit. Enhancing women’s access to microfinance will be a crucial consideration in financial sector development.

South Sudan Population Projection



Y o u t h w o m e n

employment – increasing youth employment will be critical if the Government is to meet its objective of diversified and sustainable growth and development which improves livelihoods and reduces poverty. Gender seems to have been one of the main determining factors in youth employment/livelihoods. The majority of young women in both rural and urban areas are expected to take responsibility for household tasks – child-rearing, collecting firewood and water, preparing food, and cleaning – limiting their opportunities to seek employment outside the home. However, recent research on urbanisation and vulnerability in Juba¹ revealed that increasingly men were experiencing difficulties in finding viable ways of making a living and that the burden was falling on women to both earn a livelihood and care for their children and families. Accordingly, activities in relation to economic development include creating employment and entrepreneurship opportunities for those youth trained in vocational skills, including trades, agriculture, livestock, fisheries and professions. Furthermore, gender-specific programming with young people that builds on reliable information will create opportunities for skills development and growth. Investments in adolescent girls to delay marriage and childbirth can reduce one of the world’s highest maternal mortality rates. With 36% of girls entering marriage before the age of 18 and only 8% contraceptive prevalence, increased knowledge on how to engage this crucial population is necessary to reducing fertility.

6. Challenges Experienced and lessons learned in these areas

South Sudan’s large towns have experience booming of population after CPA. Booming population and concentrations in township and informal settlement areas which demonstrate unacceptably high levels of poverty inequality: South Sudan is experiencing the phenomena of the urbanisation of poverty. This is a major social challenge, and also has major implications on service delivery. Another key trend in rapid urbanisation and pressure on resources is ‘household splitting’.

While the actual population in urban areas. The percentage of individual household may increase by double. These trends need careful monitoring by government.

Environmentally, rapid urbanisation is also leading to increasing pollution and excess waste generation, which poses risks to the health of residents as well as threatening the environmental sustainability of urban settlements. There is a need to implement differentiated fiscal and infrastructure support to towns so that they are able to better manage these challenges and maintain stability.

¹

The challenges to promote stronger urban-rural linkages highlight that development planners and policy makers must increasingly think of the impact of their development interventions in ways that are more integrated and emphasize the importance of analyzing rural and urban economies as a united whole, and municipalities should endeavour to ensure holistic regional spatial planning and promote economic opportunities. Coordinated and targeted infrastructure provision is also critical for linking the rural areas not only with basic services, but also with higher-level services in health, transport, and education. Infrastructure works as a bridge between rural and urban worlds and between agricultural sectors and other sectors of the economy⁹. Again, the significant importance of infrastructure is its role integrating rural economies to larger towns, cities, national markets or trade networks.

As South Sudan is poor country that had just got its independence 2011, its economy has not been able to create jobs at the pace necessary to reduce the extremely high unemployment rate among the youth and women. Africa's official unemployment rate is at 27%. This impact especially heavily on young women and men living in urban areas. There is a noticeable increase in the number of youth in South Sudan's urban areas (After CPA larger numbers of south Sudanese return home from neighbouring African countries, Europe, America and Australia). This makes government's current focus on youth employment especially critical.

Educational attainment is a critical determinant of young people's future work prospects, earnings, and contributions to society. The number of learners sitting for the senior certificate examination has increased and the pass rate increased tremendously. However, large number of those who enter schools don't reach senior and high dropout rates exist, particularly among girls in P6, P7 and P8. However a major challenge is that the quality of education also does not seem to be preparing the youth for high level and skilled career.

Challenges still persist in the provision of more secure, decent, and well-located homes for the elderly, as well as housing specifically adapted for the elderly and their needs. The government represented by ministry of social affairs, child and gender has to do more for provision of dignified services to elderly.

Despite the progress made in living standards and employment opportunities, poverty, unemployment, and inequality still disproportionately affect women and female headed households. These conditions indicate that deliberative policy is still needed that specifically targets opportunities for women and which should further build upon the existing initiatives.

7. Future challenges and issues that could be addressed by a New Urban Agenda

The role of national governments in ensuring sustainable urbanisation is thus critical. It is the responsibility of national government to create a legislative and policy environment that empowers cities (in particular) and other role-players to promote integrated urban development through:

- a. Establishing a policy framework to promote integrated urban development, through national urban policies.
- b. Frameworks to guide forward planning and management of urbanisation, which enable /foster intercity /regional urban planning so that planning is not confined to individual town boundaries;
- c. Ensuring that towns have the powers (subsidiary principle) and the capacity to render services necessary for ensuring integrated urban development. This could be built environment functions or other social services functions.
- d. Ensuring a supportive financing and fiscal framework that acknowledges the challenges that towns face.

Rural and urban communities: it is important that development initiatives are undertaken in economic nodes that serve both rural and urban communities. Going forward, emphasis must be placed on the role of science, technology and innovation to enhance positive outcomes in rural areas and promote the required connectivity. The New Agenda focus for understanding rural urban dynamics should be on proposing ways to accelerate inclusive growth expand employment and serve the poor.

Youth issues: it is imperative that integrated strategies are developed to address the needs of young people in the fields of education, lifestyle choices, skills development, and technology access and girl empowerment. The youth themselves should be at the centre of developing these strategies to ensure strategies and policies are meeting the stated needs and expectations of the youth in society.

Health issues: it will also be important to maintain a focus on HIV/Aids prevention and management.

HIV prevalence among women 1.1% and men 0.6% and it is spreading. But other health issues should also be included in the New Urban agenda (Malaria, cholera) as there is a link to be made between improved living environments and health.

The elderly: the New Agenda must place an emphasis on social development and welfare studies on the elderly, leading to targeted programmes that protect and nurture the elderly in a society. A key factor is accurate information for the elderly, accessible through community centres and social welfare groups.

Gender Equity: The Constitution of South Sudan contains a 'Bill of Rights' and these rights include gender rights; such concepts may be further articulated in the New Agenda. A key component would be to encourage educational programmes promoting gender equity across society, as well as reviewing the patriarchal trends still evidenced in many places of learning and culture. The abilities of government in 'mainstreaming' gender issues into policy, budgets, and programmes are also a direction to be supported by the New Agenda.

Addressing the needs of the disabled in urban development should also form part of the New Agenda.

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II. Land and Urban Planning: Issues and Challenges for a New Urban Agenda

8. Ensuring sustainable urban planning and design

Development Challenge

During the first years of independence, South Sudan focused on state and nation building, deepening peace-building, preventing conflict, improving security and bringing about a process of rapid economic development to reduce poverty. These are mutually reinforcing and were the focus of SSDP. Land and Planning played key role in this 1st national development plan.

After years of civil strife, an important and long-awaited transition is occurring in South Sudan. With the signing of the Comprehensive Peace Agreement – Agreement of Resolution of Conflict in South Sudan (ARCSS) and establishment of the Transitional Government of National Unity (TGoNU), the prospect for South Sudanese leaders to provide for a just and durable peace for their citizens is dependent on the implementation of the Peace Agreement. As TGoNU proceeds to extend civil authority throughout the nation, strategic and sustainable urban/town planning and land management is a priority Area.

This planned massive land and infrastructure development envisioned in the SSDP/SSDI is hinged on effectively managing urban planning and development. Though it is clear that officials of relevant municipal authorities are under-staffed, poorly trained, and under-equipped, findings from a recent assessment reveal that Juba and other existing regional towns of Wau and Malakal indeed have systems in place for city planning and management, though this system is under-going a transformation from the post-colonial system that was inherited from Northern Sudan.

Challenges abound as the new government consolidates power and begins the process of governance. Yet overall, this initial assessment which took place just before the new government was announced indicates that there are promising opportunities to support and invest in the existing South Sudanese technical staff and systems for land use planning and administration.

While urbanization is linked strongly to social and economic development all over the world, in South Sudan, these trends are not effectively harnessed for development and in fact urbanization's challenges seem to out-pace the development gains for the following reasons:

- 1) South Sudan seriously lacks supporting policies and frameworks needed for planning and development and its strategies for sustainable patterns,
- 2) Inadequate institutional capacity at local, state, national and regional levels to effect integrated approaches for urban sustainability patterns,
- 3) Limited understanding of structural transformation of growth in urban centers,

To introduce an urban paradigm shift and harness the positive impacts of urbanization there is serious need for a coordinated approach and a clear policy direction represented in the following:

- 1) **Government need to formulate and implement policies to ensure that the benefits of urban growth are shared equitably and sustainably,**
- 2) Adopt the Rio+20 Conference outcome, "The future we want",
- 3) **Holistic approach to urban planning and management is needed to improve the living standards of urban and rural dwellers alike,**

- 4) Introduction of **Sustainable Development Goals, particularly G11**, gives leverage to encourage effective urban planning and make cities and human settlements inclusive, safe resilient and sustainable, and develop efficient urbanization as a tool for development.
- 5) **Sustainable urbanization require that cities generate better incomes and employment opportunities, expand necessary infrastructure for water and sanitation, energy and transport, information and communications;**
- 6) Diversified policies to plan for and manage the spatial distribution of the population and internal migration are important,
- 7) **Sustainable urbanization** requires competent and responsive governments charged with the management of cities and urban expansion,
- 8) **National Urban Policy** is essential and crucial for a strategy the country could adopt to effectively manage urbanization.

9. **Improving urban land management, including addressing urban sprawl**

Given the pace of change occurring throughout South Sudan, especially in the state capitals of Juba, Wau, Malakal and emerging big cities of Rumbek Yambio, Torit, Bor, Bentiu, Aweil, there will be significant reshaping forces affecting the municipalities. The demand for land within Juba and other urban areas will almost certainly grow dramatically with the anticipated influx of new residents.

The primary challenges of the new government include: *how to respond to this rapid growth in a manner that is deemed fair and reasonable by the citizenry; how to manage the political and physical transition of rapidly urbanizing areas (and other municipalities) in a way that short, medium, and long-term revitalization plans are based on South Sudanese-led visions that are supported by, not controlled by foreign investment and international assistance; and most importantly the challenge of engaging South Sudanese technicians and administrators, and the communities they serve, in the process at the earliest possible stage.*

General recommendations for steps to begin to meet these challenges include:

- Given the potential for conflict which could arise in the contesting of land ownership, the new government should conduct a comprehensive records review of the existing cadastral records in the Building and Lands Administration, and the Land Survey Office, against the records in the Land Registry Office;
- Pending the establishment of the Land Commission for urban land and property, especially in the former garrison towns, the GOSS should consider an interim policy of dispute resolution or suspension of claims determination pending formal review of urban land issues;
- In areas which are deemed clear of the possibility of land contesting (possibly an extension of the municipality boundaries) the GoSS could employ existing land survey, sub-division, and allocation procedures for urban land. Recipients of land could include former ex-combatants; IDPs, refugees, and landless poor as a means to alleviate urban growth pressures and provide a durable solution to reintegration pressures through a resource the government controls, land;
- Create a mobile task force at the community level in areas to be developed to include town/community planners, land surveyors, court/land registry authorities and social officers to process and record land registration and title. This would have the added benefit of bringing services to the people, and provide local technicians and land administrators on the job training while providing a necessary public good;
- Streamline the process and transparency of land allocation to allow existing and future residents an understanding of the legal process and encourage land ownership and the use of permanent structures;

- Immediately begin a process of strengthening the human, systems, and operational capacity of ministry and municipal level departments to organize and document urban land resources.
- 1) ***Land grabbing incidences in South Sudan is a result of lack of resettlement schemes , landuse classifications, displacements and to a large extent absence of coordinated national plan for settlements and resettlements. In view of the prevailing situation that is becoming a norm and tradition, it is imperative to have a land use schemes to manage and facilitate land use and land development, and Land development management procedures and structures.***
 - 2) ***The Satellite towns Development agency/department approach is being introduced and also developed to address spatial transformation principles as outlined in the SSDP and SSDI. Considering the increasing slum emergence in the country, this approach of satellite town development will help to decongest cities na dsettlements and restore the quality of urban fabrics. Also important is the Integrated Urban Development Frameworks.***
 - 3) ***South Sudan approach to planning must take post-conflict reconstruction approach where donor-funding, public-private partnership, public sector driven intervention are central to planning and development. In view of the fact that post-conflict countries mostly witnesses challenges of high inflation rates, weak institutions, poor policy implementation, poor financial management practices, gender discrimination, sectional interests, ethnic crises, poor urban governance and land administration. The case of south sudan become even more complicated with the recurring crises, displacement and change of governments policies that affect urban planning.***
 - 4) the

10. Enhancing Urban and Peri Urban Food Production

The 2009 General Household Survey¹³ estimated that 20 % of the population has “inadequate or severely inadequate” access to food. The 1999 National Food Consumption Survey¹⁴ found that 52 % of households experienced hunger, with the highest share of hungry households in rural areas (62 %), in contrast with urban areas (41 %). While targeted action is essential, these figures also highlight the need to address the problems of unemployment and economic exclusion.

Urban agriculture is becoming an increasingly acceptable, affordable and effective tool for sustainable urbanisation. Potential benefits include food security, food sovereignty, ecological and biodiversity, restoration, urban greening, water recharge and cleaning, the fostering of social cohesion and general urban renewal.

How urban agriculture is integrated into existing policy and development strategies in urban centres, and in particular how urban agriculture is viewed by planners and key decision makers, is key to the success or failure of urban agricultural practice.

South Sudan does not have a national policy or strategy on urban agriculture aimed at urban food security and enterprise development. There have been a few attempts by cities to articulate urban agriculture in various strategies and policies, as well as a number of smaller, largely micro-driven urban food security projects that includes urban agriculture as a component. The impact of such initiatives need to be studied going forward.

11. Addressing Urban Mobility Challenges

It can be argued that the efficiency of urban mobility is defined by the level of investment and quality of infrastructure, measured by road infrastructure. South Sudan has a comparatively well-developed road infrastructure network. In 2010, the extent of South Sudan's road network was a total of 66 km (See Table below)

This has steadily improved and currently the National

Local Government and Municipalities are mandated to provide quality basic services to communities and general public. Their capacities have to be developed along those lines of their services and defined jurisdictions. But for these bodies to effectively and efficiently deliver services, there need to be a clearly defines roles and responsibilities, communication channels between and among the urban council, county and payam councils (*see Local Government Act 2009*).

12. Improving Technical Capacity to plan and manage cities

13. Challenges experienced and lessons learnt in these areas

Drawing an overall assessment to development in SS in the context of a post-conflict reconstruction scenario, key challenges to be high-lighted are classified as follows:

1) Town and Urban Development Planning:

1.1 National Development Plans (Policy, institutional and regulatory framework)

- Regional, national and town planning
- Spatial planning and zoning
- Sector specific plans (SSP)
 - Road network
 - Electricity
 - Telecommunication
 - Water and sanitation
 - Irrigation plans
 - Agricultural development plans

2) Challenges and Issues to be addressed by the New Urban Agenda:

URBAN ISSUES:

- Lack of national urban planning policies and plans, visible in slums, lack of basic services (clean water, sanitation, energy), coupled with absence of public open space, overcrowding and serious lack of traffic compounded with congestion.

2.1 Social Infrastructure:

2.1.1 Healthcare Infrastructure

- Primary Health Care Units (PHCUs) and (PHCCs)
- State and County /District Hospitals
- Referral Hospital (Teaching Hospitals)

2.1.2 Educational

- Schools (Primary, Secondary)
- National Schools (Girls/Boys)
- VTC and Colleges
- Universities and National Research Center

2.1.3 Water and Sanitation

- Multi-Purpose Dams (Economic Infrastructure)
- Irrigation Schemes (Economic Infrastructure)
- Urban Water Supply and Sanitation Facilities (Socio-Economic Infrastructure)
- Rural Water Supply and Sanitation Facilities (Socio-Economic Infrastructure)
- Emergency Water Supply and Sanitation Facilities (Cantonment - Infrastructure)
- Drainage Infrastructure (Economic Infrastructure)

ECONOMIC ISSUES:

- Lack of economies of urbanization and economies of scale, resulting in cities that do not generate wealth,
- High unemployment rates, especially among youth,
- Weak public sector economy.

POLITICAL, SOCIAL AND CULTURAL ISSUES:

- Lack of proper governance (taxation system, entitled institutions, etc.)
- Lack of public safety, social disparities,
- Emergence of gated communities as an additional segregation of the city,
- Lack of cultural centers and public parks

2.2 Institutional Infrastructure (Social – enabling environment infrastructure for governments to function and secure peace):

3.1.1 Government Infrastructure:

- Executive, Legislature and Judiciary
- Ministerial buildings and accessories
- Institutional Housing
- Public/Social Housing
- Military /Organized forces infrastructure – Barracks/ Armoury/ Assets (National Security)

3.1.2 Emergency Infrastructure Facilities (Social-economic Infrastructure)

- Food storages and silos
- General warehouses

3.1.3 Roads, Bridges and Transport (Economic Infrastructure)

- Roads and Bridges
- Airport Terminal
- Railway Stations
- River Transport harbours and ports (warehouses)

14. Future challenges and issues that could be addressed by the New Urban Agenda

a. Ensuring sustainable planning and design

Future challenges and opportunities should be addressed by fast-tracking formulation of the following key policies and Acts:

- 1) **National Urban Planning Policy and Act**, while the legislative framework can organize relationship between institutions and guide implementation of projects, a new National Urban Policy is necessary to provide the overarching coordinating framework, to describe system of cities, development of legislations, and provide coordination in implementation of programmes and projects, while guaranteeing social and political sustainability for all programmes. The NUP document will

therefore inform the process all sectoral policies, urban strategies and urban plans and planning. it will constitute a document that predicts and guides urbanization and urban development. NUP provides among other the following:

- Setting national priorities for sustainable urbanization,
- Improve inter-governmental and inter-agency coordination for a common purpose,
- National Land Policy and Act enables devolution of an integrated Planning approach for all urban areas,
- National Housing Policy and Act,
- Re-vitalize the standards and codes authority to initiate, develop and enforce regulations to all urban and sub-urban areas
- Develop urban planning councils/boards and committees for planning linkages to coordinate investments and infrastructure.
- Develop a closer working relationship between and amongst the three tiers of governments responsible for urban growth.
- To initiate partnership with development partners and investors
- Encourage urban food gardens to be managed by communities and NGOs.

Prime Objective: To use the city and urbanization process as a vehicle for national economic growth

- 1) Establishment of a national urban policy (NUP).
- 2) Go back to basics in urban planning. Public space as the first priority (+30% of land)
- 3) Increase density and reduce overcrowding. City in-fills and planned city extensions.
- 4) Basic services (water & sanitation)

1. NATIONAL URBAN POLICY:

- 1) Introduce a coordinated approach to urban growth is required to develop and coordinate a sector wide planning and development approach including areas of government: road and transportation, economic development, energy strategy...
- 2) Develop a national infrastructural and development vision to guide and direct the national urban strategy is required with special emphasis on small and medium-scale urbanization,
- 3) Prioritize urban growth in national transport and energy corridors in order to minimize sprawl and promote sustainability.

2. URBAN PLANNING:

- 1) Develop Master and City Plans (30-50 years)
- 2) Introduce development plans of a scale
- 3) Introduce phased development plan in (in public investment)
- 4) Introduce integrated social development plan (pro-poor policies)
- 5) Introduce urban linkages for connectivity (focus on public realm)
- 6) Introduce energy efficiency plans for and risk prevention

3. PLAN CITY INFILLS AND CITY ENLARGEMENTS:

- 1) Introduce pro-active planning strategy to address growing urban population,
- 2) Whenever possible, adequate growth of urban population should be planned in infill areas in the existing urbanized space.
- 3) To mitigate over-crowding, adoption of qualitative density is required,
- 4) Growth area should be planned in advance to achieve and sustain appropriate density and attached to these urban centers and basic services.

3.1 Plan City In-fills And City Enlargements

- Plan for mix uses of the urban space, considering issues of social diversity,

- City enlargements should be planned in a proper size and in-line with the long term vision; in order to avoid monopolistic positions of investors and irrational evolution of urban land prices,
- Special attention should be given to those strategies focused on the network of metropolitan regions, intermediate and market cities and towns.

3.2 Envisioning a Sustainable, Equitable and Prosperous Model City for Africa

- High Quality of Public Space. 30% Street and 20% amenities
- Proper and well designed density,
- Mixed Urban Uses. Avoid zoning when possible (10% of the land of the city at the most). Avoid super-way division of neighborhoods
- Environmentally sustainable. Efficient Mobility. Emphasis on the walking distances, recovery of the human scale. Reduction of green house gases emissions. Proper building codes.
- Mixed social structure. Social Integration, Acceptance of Migrants, Social Diversity, Cosmopolitan values, the challenge of living together,
- Practical and enforceable norms and rules. Participatory, democratic, respectful.

b. Addressing urban mobility challenges

- 1) Fast track the National Land Transport Act that enables that introduces Integrated Transport Planning approaches and development,
- 2) Introduce non-motorized transport options and designate urban space for these service infrastructures.

c. Improving technical capacity to plan and manage cities

- 1) Initiate and develop national capacity training and development programmes for all public sector staff/employee in collaboration with donors and development partners,
- 2) Critically identify skills shortages across and within a sector for capacity development and training,
- 3) Initiate a training programme for young planners, architects and engineers coupled with mentoring programmes for engineers with Engineering Council of South Sudan (ECOSS),
- 4) Build capability to technically advise communities on land-use issues, investment and development opportunities.
- 5) Introduce GIS/GPS bases technologies for all spatial planning and development.

III. Environment Management And Urbanization

- 15. Addressing climate change**
- 16. Disaster risk reduction**
- 17. Reducing traffic congestion**
- 18. Air Pollution**
- 19. Challenges experienced and lessons learnt in these areas**
- 20. Future challenges and issues that could be addressed by a New Urban Agenda**

IV. Urban Governance And Legislature

21. Improving urban legislation
22. Decentralization and strengthening of local authorities
23. Improving participation and human rights in urban development
24. Enhancing urban safety and security
25. Improving social inclusion and equality
26. Challenges experienced and lessons learnt in these areas
27. Future challenges and issues that could be addressed by a New Urban Agenda

Governance – institutional strengthening and improving transparency and accountability

Objective: *To build a democratic, transparent, and accountable Government, managed by a professional and committed public service, with an effective balance of power among the executive, legislative and judicial branches of government.*

As South Sudan emerges as a new nation, establishing good governance practices supported by legislation and improving capacity will be critical for credibility and for the effectiveness of overall development efforts in the medium to longer term. The Government is committed to ensuring an independent and effective legislature which is able to hold the Executive to account, and an independent judiciary to uphold the rule of law and protect the rights of citizens. Sound governance reduces the potential for corruption and lessens the risk that scarce public resources become diverted from their intended purpose. Building-wide ranging good governance does however take time.

During the SSDP period, the focus will be on establishing and strengthening the basic principles of accountability, transparency, integrity, inclusion and professionalism as applied to the operation of government systems and administration. To this end, the priority programmes address constraints and weaknesses in public administration and the capabilities of oversight institutions. In future plans, this will be broadened to include private sector aspects of good governance and strengthening the involvement of civil society therein.

- **Inclusion.** The Government will focus on addressing potential conflicts and challenges by being as open and inclusive as possible. The drafting process for the new permanent constitution and the constitutional conference will both have broad participation from across the country. There will be a balanced inclusion of diverse groups in government leadership and in the civil service, and gender diversity will be ensured in government institutions and public decision-making.

- **Accountability.** The South Sudan Audit Chamber (SSAC) is being strengthened, timely audit processes established, and reports will be forwarded to parliament and released publicly. Furthermore, actions to strengthen the capacity of parliament in its oversight function will continue.
- **Transparency.** The South Sudan Centre for Census, Statistics and Evaluation (SSCCSE) will play an increasingly important role in collecting and disseminating information. Public disclosure of audit reports and budget execution reports also add transparency.
- **Civil service development.** The civil service recruitment system is being revised to ensure that it fully meets government needs, and a performance management system is being introduced. Meanwhile vigorous training efforts will continue.
- **Financial management.** In order to ensure the efficient and effective use of scarce public resources, the Government is in the process of implementing a number of significant measures that will strengthen Public Financial Management. These include: (a) passing of the Public Financial Management Act (PFMA), Procurement Law, Audit Act and Central Bank Act, which are in the process of being submitted to SSLA; (b) undertaking a Public Expenditure and Financial Accountability (PEFA) assessment; (c) strengthening expenditure monitoring and management systems for the release of funds; and (d) rolling out the Financial Management Information System (FMIS) to the states. As the mandated fiscal agency for government, the Ministry of Finance and Economic Planning (MoFEP) will also provide fiscal oversight for the oil sector.
- **Inter-government coordination.** Clarifying the separation of functions between the various levels of government, linking the allocation of resources to functional responsibilities and monitoring results. Procedural and administrative improvements to the workings of cabinet affairs and the Office of the President (OP) will impact positively on government decision-making processes. Future functions of Ministry of Federal Affairs.

V. Urban Economy

This

- 28. Improving municipal/local finance**
- 29. Strengthening and improving access to housing finance**
- 30. Supporting local economic development**
- 31. Creating decent jobs and livelihoods**
- 32. Integration of the urban economy into national development policy**

Recommendations for SSDP

It is clear that there remain great poverty reduction challenges for South Sudan. Along with a high level of consumption poverty there remain huge gaps in socio-economic development. Government can take action to improve matters in a number of arenas but, given scarcity of available resources, prioritization is essential. Based on the analysis presented above, six key areas of policy focus have been identified:

- Poverty and other social indicators in rural areas lag behind urban areas, suggesting greater need for targeting interventions there;
- Difficult terrain and poor infrastructure means that access to markets is poor and supply of basic services is difficult in rural areas. Increased investment in infrastructure would help bridge some of the gap;
- 80% of poor households are dependent on agriculture as their main source of livelihood. This suggests that to tackle poverty, agricultural sector growth needs to be a priority;
- Additionally, support to diversification of sources of income generation would go a long way in reducing vulnerability;
- 47% of the population is undernourished. Addressing this will require increased agricultural production, better infrastructure and access to markets. Given that certain households are chronically food insecure over time, safety net mechanisms may be cheaper and more effective than ad hoc emergency humanitarian responses;
- Educational and health indicators remain amongst the poorest in the world. It is imperative that increased public spending be made for the delivery of basic services;
- Substantial variation exists in the different dimensions of deprivation across the states of South Sudan. This should be taken into account when designing interventions or allocating resources between states; and

To ensure that improvements are made, public spending should be targeted so that the poorest sections of society and the poorest regions get the greatest emphasis. Poverty audits of public expenditure, constant monitoring of socio-economic indicators and evaluating delivery of basic

services are important to measure progress in meeting the needs of returnees and the general population.

33. Challenges experienced and lessons learnt in the above areas

34. Future challenges and issues in areas that could be addressed by a New Urban Agenda

Guided by an inter-ministerial planning committee, the priorities and related programmes were identified and prepared collaboratively by four groups of related ministries and agencies – **governance, economic development, social and human development and conflict prevention and security**. The work of the four groups was complemented with inputs from the state and local governments

Following the political crisis of December 15, 2013 and resulting internal war, a Comprehensive Peace Agreement (ARCSS) was signed in August 2015. To translate the SSDP vision into reality a second document called the South Sudan Development Initiative (SSDI) developed Priority Action Projects (PAPs) for the period 2016-2020 was developed. This SSDI is a revised document in the face of new realities and challenges resulting from the current **Peace and Reconciliation Agenda** of the nation.

Context: conflict, poverty and economic vulnerability

The starting point for SSDP is the need to address the key nation-building, state-building and peace-building objectives of a new nation recovering from conflict and wishing to move onto a fast-track development path. Insecurity was highlighted in consultations as a continuing concern and has numerous causes, including clashes between communities over cattle and access to grazing land; breakdown of cultural values and norms; the availability of arms, and lack of economic opportunities. The consequences of insecurity include large numbers of displaced persons, continuing food insecurity, disruption to social services and increased poverty.

South Sudan is a poor country, despite its abundant natural resources, largely due to protracted conflict. Fifty-one percent of South Sudanese are poor (55% in rural areas and 24% in urban areas). Eighty percent of poor households depend on agriculture for their livelihood. Education and health indicators are among the lowest in the world, reflecting the impact of protracted conflict and limited provision of social services. Only 27% of the adult population is literate, compared with 87% in Kenya, and less than half of all primary school-age children are in school (51% of boys and 37% of girls). The infant mortality rate in South Sudan in 2006 was 102 per 1,000 live births, while the maternal mortality rate was 2,054 per 100,000 live births, the highest in the world (rates for neighbouring Kenya and Uganda were 530 and 430 respectively).

Most South Sudanese are engaged in agriculture and grazing activities, and oil and the public sector dominate the formal economy. Unemployment and underemployment are very high with little formal sector employment. Oil provides 98% of public sector revenue and almost all foreign exchange earnings, thus making the South Sudanese economy extremely vulnerable to changes in oil prices and oil production levels. Furthermore, oil production has peaked and is projected to decline sharply over the next ten years. While this oil production provides much-needed revenue, the extreme dependence on oil creates a major challenge for macroeconomic and fiscal management and the pending sharp decline in oil income exacerbates this situation. Fiscal sustainability and stable public expenditures are the cornerstones of macroeconomic stability. SSDP promotes efforts to diversify the economy, develop other sources of public revenue and expand employment and livelihood opportunities. A core component of this growth will be building the Government's non-oil revenues in the coming period.

The development challenge

During the first years of independence, South Sudan will focus on state and nation building, deepening peace-building, preventing conflict, improving security and bringing about a process of rapid economic development to reduce poverty. These are mutually reinforcing and are the focus of SSDP/SSDI.

Poverty reduction requires a particular focus on rural transformation and the delivery of essential social services. Rural development especially will be crucial for improving livelihoods and food security, and expanding employment opportunities for the very large numbers of poor living in towns and rural communities throughout South Sudan. It will require continued improvements in transport infrastructure, increased agricultural and livestock production, clarification of issues pertaining to land, as well as improved access to markets, inputs, and finance and extension services. Measures that promote rural development also serve to diversify the economy. Second, actions to improve key basic social services, such as health, education and water and sanitation, also address poverty by increasing well-being and labour productivity.

Improved security and sustained peace will improve people's well-being directly, while underpinning efforts to reduce poverty. Security clearly matters for the business environment and the confidence that is important to local and international investors. Clarifying issues pertaining to grazing rights and land are important for avoiding further conflict and part of the foundation for much-needed rural development.

The new nation must consolidate the institutional and governance mechanisms developed during the CPA interim period. Good governance, including transparency and accountability, builds confidence, stability and the credibility of government. Ensuring macroeconomic and fiscal stability is one key aspect of this.

Development objectives

Overall SSDP objective: *To ensure that by 2020 South Sudan is a united and peaceful new nation, building strong foundations for good governance, economic prosperity and enhanced quality of life for all.* Efforts to achieve this are broken into four core building blocks for SSDP in this period:

Improving governance;

Achieving rapid rural transformation to improve livelihoods and expand employment opportunities;

Improving and expanding education and health services; and

Deepening peace building and improving security.

These four core building blocks are mutually reinforcing and interdependent. Success with one will help others succeed while failure in one will limit progress with others. Improved security will be critical for achieving renewed economic growth and for extending social service. Similarly, improvements in road transport infrastructure are important for generating agricultural growth and for the provision of basic social services. Improvements in health and education are important for productivity enhancement and participatory economic growth. Security is important for human well-being, investor confidence and the cost of doing business. Top priority in implementation of SSDP will be given to: (a) peace-building and actions that enhances security, (b) improving and expanding social services, and (c) rural development built on infrastructure expansion. These are the priorities most consistently highlighted in consultations with the states and they directly and sustainably improve the lives of people throughout South Sudan. The core targets and development outcome objectives that relate to these top priorities are set out in the table below.

Planned activities are designed to help reduce poverty and to ameliorate rather than exacerbate pressures for conflict. It is vital that initiatives make a difference to people's lives in all parts of South Sudan to ensure widespread participation in the benefits of development. Meanwhile, the commitment to macroeconomic stability built upon a stable and sustainable fiscal policy underpins these development efforts.

Economic development – rural development supported by infrastructure improvements

Objective: *Diversified private sector-led economic growth and sustainable development which improves livelihoods and reduces poverty.*

Sustained economic growth and development which is led by a vibrant private sector will be crucial for South Sudan's future prosperity and for mitigating the potential for future conflict. For growth to be pro-poor it must be both diversified and equitable. The initial emphasis will be on using our oil wealth to drive rural economic recovery and development, as envisioned by Dr John Garang. This will enable the poor to participate in and to benefit from the growth process. It is vital that the economy diversify to create the much needed employment and livelihood opportunities. Employment generation and improved livelihoods (especially for ex-combatants and young men and women) is not only important for poverty reduction, but is central to maintaining peace and security.

South Sudan is endowed with abundant natural resources including a large amount of fertile rain-fed agricultural land, land that is potentially irrigable, aquatic and forest resources as well as mineral resources. Given these natural resources; a youthful but low capacity labour force, and the current low productivity and investment levels, the greatest potential for initial new growth is likely to be from the small-scale private, predominantly family, agriculture and livestock sectors. A core target for economic development is to sharply increase food security by lifting cereal production from 0.7 million Mt per year to 1.0 million Mt and meat, milk and fish production similarly. CAMP 2015

An integrated set of mutually reinforcing initiatives is planned and being implemented to remove impediments and achieve the economic development objective by initially focusing on renewed rural development and diversifying into broader private sector development. These are:

Extending and upgrading transport infrastructure, especially roads. This is critical to connect farmers to markets and includes plans to asphalt 700km of trunk roads and 1000km linking major towns; expand the feeder road network, and strengthen maintenance for all roads.

Clarifying issues pertaining to land to ensure access and tenure. A revised Land Act is being prepared to create an appropriate policy environment for peace, successful conflict resolution and private investment especially in agriculture and natural resources but also in urbanization. During the SSDP period, implementing regulations will also be drafted and pilot-tested to clarify and define the roles and responsibilities of land governance in rural areas. Access to land for returnees is to be secured to lessen related pressure for conflict and help rural growth. Returnees and former combatants, and women and young people, must have access to land in order to participate in this renewed rural growth.

Improving access to extension and veterinary services, basic farming tools and inputs, and markets. An integrated extension system is being jointly developed by GoSS and states, together with the continued provision of basic agricultural tools and access to input for all, including women, returnees and former combatants.

Ensuring that there is a stable, transparent and supportive policy and regulatory environment for private sector development. *Doing Business in Juba 2011*² provides a baseline for several business environment indicators. The Ministry of Investment (MoI) and the Ministry of Commerce and Industry (MCI) are leading the development and implementation of actions to address key constraints to rapid private sector development. A one-stop investment shop is being established and key laws are already drafted (e.g. Companies Bill, Insolvency Bill, Insurance Bill, Microfinance Institutions Bill, Competition Bill and Import and Export Regulation Bill), will be enacted and implementation systems established.

Deepening and broadening financial services. Strengthening governance and the rule of law, establishing new laws regarding the business environment and land, and resolving key issues regarding securitization will all facilitate the extension of financial services.

Water and sanitation services and electrification will also receive priority attention due to their impact on poverty, growth and human well-being. Both will receive resources to continue expanding access to these basic services and to strengthen operations and maintenance.

In keeping with the Government's commitment to environmental sustainability, the implementing capacity of environmental regulators is being strengthened. By the end of the

² *Doing Business in Juba*. 2011. The International Bank for Reconstruction and Development (The World Bank).

SSDP period, 50% of large-scale investment proposals will be subject to environmental screening. Refer to RSS Ministry of Environment Policy 2015

Finally, while much of the economic development effort will focus on diversifying the economy, ensuring that the oil sector is well-managed will also be important as oil production will remain the dominant source of government revenue and foreign exchange over the plan period and indeed for the next decade. Until independence, the oil sector was entirely managed from Khartoum, leaving South Sudan with limited experience and capacity to take on this critical role. An urgent effort is under way with international assistance to strengthen capacity in the Ministry of Energy and Mines (MEM) to manage the oil sector, from exploration and licensing agreements, to monitoring production and compliance with safety and environmental standards, and marketing.

Social and human development – investing in people

Objective: *To promote the well-being and dignity of all the people of South Sudan by progressively accelerating universal access to basic social services*

Social and human development responds both to national and personal needs. The unmet need for effective primary health services is very high as indicated by South Sudan's low social indicators. Education is sought and needed by all, is required for economic development, and contributes in the long run to promoting and developing a strong civil society. For the most vulnerable and at risk in society, the Government proposes to examine closely the potential for a number of innovative social protection measures, including a child benefit cash transfer and expanded access for vulnerable families to community-based services. A youth programme is prioritised to provide for 'payam'-level youth corps dedicated to local development and nation-building among the generation most likely to become disillusioned by the few benefits that a small emerging private sector can yet offer.

Expanding access to basic social services: A major thrust of activity under social and human development is aimed at expanding access to social services.

In health, the Government, working with other care providers, will increase equitably access to quality basic health services throughout the country. Core health sector objectives include quickly reducing maternal and infant mortality rates. Activities will include rehabilitation and equipping current service delivery facilities, including two tertiary hospitals, three secondary hospitals, 17 county hospitals and 50 'payam' health centres; and constructing and equipping new service delivery facilities, including one tertiary hospital, one secondary hospital, 30 county hospitals and 237 'payam' health centres. Activities will also focus on strengthening human resources in the sector through a comprehensive training programme for health professionals. There will also be measures to improve the pharmaceutical and medical equipment supply chains.

In education, measures are aimed at ensuring equitable participation in a rapidly expanding and quality education system. Specific education objectives include increasing the Net Enrolment Rate (NET) for primary schools from 46% to 63%, doubling NET for high schools from 4% to 8%, and reducing the qualified teacher to student ratio from 1:117 to 1:50. Key actions include: (a) accelerating intensive teacher training for 10,000 teachers, (b) accelerating the capital investment programme to construct and rehabilitate 4,000 classrooms, and (c) developing and implementing policies for retaining girls in school including school feeding, upgrading of facilities and expansion of community and secondary schools for girls. From a quality perspective, activities will also focus on strengthening the motivation and professional development of teachers, disseminating the national primary and secondary curriculum, and providing 5.6 million textbooks.

Particular priority is to be given to address the needs of deprived and vulnerable groups. For example, healthcare efforts will target women (for example in the key area of maternal mortality), and there will be a special focus on girls' education within programmes to increase school enrolment. Many of the actions are mutually reinforcing. For example, healthier children are more effective learners, and there is a positive relationship between the level of education achieved, especially by girls, and health status within the family.

Health and education needs will continue greatly to exceed available service delivery capacity and public resources, especially with continued population growth and a large returning population from the North. This means that innovative approaches will be required to meet pressing social and human development needs as quickly and cost effectively as possible. Alternative forms of service delivery will be explored, including through partnering with Non-Governmental Organizations (NGOs) and private sector providers where they are able to provide quality services more cost-effectively. In these instances, the Government will focus on providing oversight and regulation to ensure that quality standards in service provision are maintained.

Conflict prevention and security – deepening peace and improving security

Objective: *To defend the sovereignty and territorial integrity of South Sudan, prevent the resurgence of conflict and uphold the constitution by providing equitable access to justice and maintaining law and order through institutions which are transparent, accountable and respect human rights and fundamental freedoms.*

Conflict prevention and security presents a dilemma. The cost of ensuring national security claims a large portion of the national budget, crowding out expenditures for economic and social development. But State and local governments actively seek more, rather than less, security as the essential basis for all other investments and programmes in governance, economic development and human and social development.

Efforts to increase security and deepen peace-building will focus on solidifying a lasting peace with neighbours and overcoming persistent and deep-rooted internal sources of conflict through comprehensive national and local peace dialogue and reconciliation programmes. Specifically, there will be a comprehensive national programme to transform the uniformed security services; one which addresses demobilization needs holistically, including Disarmament, Demobilization and Reintegration (DDR), and provides security and dignity to all ex-combatants. The target is to have completed DDR for almost 78,000 ex-combatants by the end of this plan period. A new civilian-led National Security Architecture (NSA) will (a) transfer local security from military to a civilian police force, and (b) transform SPLA into a smaller, modern and more efficient force.

Improving access to justice and ensuring a well-functioning criminal justice system are intrinsically linked to peace-building and providing alternative options to redress disputes without recourse to conflict. There will be a strengthened criminal justice system that treats the human rights of every individual correctly while applying the legal framework to justice for all. Police community relations committees will be established at county level and community security approaches will be introduced in all ten states. Furthermore, conflict mediation and reconciliation systems will be further development.

The Government will seek to ensure that all initiatives under SSDP are designed to be conflict-sensitive so that development activities do not do harm albeit unwittingly.

Cross-cutting issues

Seven cross-cutting issues have been identified as important: environment, gender equality, youth employment, capacity-building, human rights, HIV/AIDS, and corruption. These issues are addressed throughout SSDP. Cross-cutting issues in some cases are organic to the programmes. This is particularly evident in the public administration sector that must explicitly address all of them in the execution of government functions in all domains. Similarly, the importance of ensuring access by women and youth in economic opportunities is being included in reforms related to land and the provision of extension services for example. And gender considerations are a priority in education and health initiatives.

Government resources and their allocation to support development priorities

Due to the uncertainty in projecting production of oil and particularly its market price, as well as the terms of the final revenue-sharing agreement between Sudan and South Sudan, it is impossible to predict government resources accurately. However, it is clear that government oil revenue will decline as production declines and that alternative sources of revenue will not grow quickly enough to offset this fall. Hence steps must be taken to invest some current revenues and to reduce and refocus government expenditures from their expected 2011 level in

order to ensure fiscal sustainability. The current trend or level of spending is not sustainable as oil revenues fall so the government will seek greater clarity on how much and how soon they decline. Expenditure-level adjustments are required. SSDP proposes limiting development plans and costs by the requirement for a smooth transition to a long-term sustainable spending path so as to limit the risk of macroeconomic instability. Put simply, the Government is aware that it cannot fund everything it would like to. A faster development track can only be supported by the generosity of donors.

The **base expenditure scenario** for SSDP recognizes that total expenditures will be high in 2016 as this is a unique year in the history of South Sudan, but then gradually decline. This requires high oil revenues and fiscal surpluses for the early years of independence as savings are built up, but fiscal deficits and falling savings balances thereafter. The timing of the descent into deficits depends on both oil prices and the final agreement on oil between Sudan and South Sudan as well as success in containing expenditures. However it will happen within the next decade. This scenario does not totally avoid a drop in expenditure as oil revenues fall, but it does smooth this fall by generating savings and pushing expenditures to the future. In so doing, it also makes expenditure patterns more consistent with absorptive capacity.

The allocation of this total volume of public expenditures between competing demands will reflect the agreed SSDP priorities. Though security will continue to attract substantial resources in the early years of independence as DDR programmes continue and there is transition to a more streamlined defense force together with a strengthened domestic security architecture, its share will decline over time. Similarly, as returnees are resettled, and food security improves, the need for humanitarian assistance is expected to decline. Both these factors will allow for a rising share of development expenditure in overall public expenditures. Hence, the resources allocated to human investments (education and health) and infrastructure (roads, other transport, water and sanitation) is projected to rise. In doing this, care will be taken to avoid locking in unsustainably high recurrent expenditure commitments due to uncertainties surrounding future revenue levels.

In order to ensure fiscal discipline and macroeconomic stability, the Government plans to:

Establish clear fiscal rules which will underpin prudent fiscal management and crystallise plans for saving a significant portion of oil revenue during the SSDP period;

Strengthen expenditure control, including by tracking current expenditure against the budget and monitoring more closely the issue of arrears build-up undertake the following key activities, and establishing better control of the wage bill; and

Strengthen revenue administration systems.

MoFEP, with its mandate as fiscal agent of the Government and to avoid conflict of interest between the regulatory and revenue interests in the oil sector, is the appropriate home for fiscal oversight. Complementing these fiscal initiatives, GoSS will establish an oil management authority in MEM with competence and a mandate to design and oversee contracts between the Government and private oil companies that ensure (i) oil rent is captured, and (ii) incentives for the oil companies to explore and develop the fields are maintained to maximize the volume of oil extracted.

Donor resources

External finance will play a critical role in strengthening the government's capacity to manage and co-ordinate the implementation of SSDP. To ensure that external assistance contributes positively to the implementation of the SSDP, there must be improved coherence between domestic resources and aid. Aid should be increasingly focused on strengthening government systems, increasing accountability and supporting economic growth.

The Government is committed to creating the necessary conditions for the delivery of effective aid in support of SSDP. These include passing essential legislation through parliament; establishing clear fiscal rules to govern economic management and strengthen expenditure control; agreeing clear safeguards with Development Partners (DPs) that will allow aid to use government systems, and developing an overall aid financing strategy linked to SSDP. This will set out its priorities for funding, the levels of funding required, preferred aid instruments, and a suggested division of responsibilities.

It is crucial that development assistance is directed towards the Government's top priorities, where it is likely to have most impact in the implementation of SSDP. The Government therefore requests that DPs align their support to the following areas, as articulated by each pillar:
Table Area for Development Assistance

In addition to alignment, a key objective during the SSDP period is for the Government to strengthen its own institutions and systems for the delivery of services. This will involve government taking actions to improve financial management overall, and those which address the specific fiduciary concerns of DPs. In the spirit of mutual accountability, the Government trusts that DPs will respond to this progress by using government systems more.

Implementation

As many services to the public are delivered not by GoSS, but by state, county and 'payam' governments, successful implementation of SSDP depends on all levels of government. Hence it will require clear divisions of responsibility and capacity (where there is responsibility). Moreover, given the importance of the private sector both for achieving the economic development objective and as a partner in service delivery, SSDP success also depends on the private sector.

Neither one level of government, nor all levels of government together, will be able to achieve the agreed objectives alone. Civil society and private sector involvement will be important for livelihood expansion and employment creation, improving health indicators, increasing food security, ensuring good governance and deepening peace-building. GoSS will continue to take the lead but will look to other levels of government and those outside government to contribute in a joint effort. Second, given the very low initial level of services and capacity in many parts of the country, flexibility and creativity will be needed to achieve the best results.

It is therefore important to recall that SSDP is a foundational document, intended to map out the next steps for a longer term national development strategy to be produced by the end of the SSDP period. In doing so, the plan looks to address some core issues in its implementation, as follows.

Managing risks: there are a number of key risks that if not tackled vigorously could serve to undermine the development effort. The first of these is the **possibility of renewed conflict**, so SSDP has articulated a comprehensive set of actions for conflict prevention and security. Moreover, every effort is being made throughout programme selection and design to ensure that actions ameliorate rather than exacerbate potential sources of conflict. Maintaining stability is paramount and the Government will identify specific 'upstream' actions as required to prevent conflict and protect citizens.

Second, **capacity limitations** are a risk to the effective implementation of the strategy. The Government may have financing and the commitment of stakeholders but without adequate programme design and implementation capacity, the delivery of the strategy and performance against key targets may be compromised. In response, there will be a continued effort to attract the Diaspora and to train existing staff to enhance capacity. There will be continuing use of well-targeted technical assistance to fill gaps where local expertise is currently lacking. This strategy is further elaborated in the medium-term capacity building strategy (see Annex 5).

Uncertainty surrounding future oil revenues constitutes a third risk. There is no short-term way to offset this risk fully. Over time, non-oil revenues will be developed. In the meantime, containing expenditures and saving a significant share of oil revenue helps manage this risk.

Monitoring and Evaluation

Monitoring and Evaluation (M&E) of these development efforts will be an essential part of accountability both between the Government and its citizens and mutual accountability between Government and DPs. The M&E framework will track how much has been spent on what, and what has been achieved with the expenditure in terms of delivering social and economic development priorities. The framework links results with the resources provided and informs the refinement of future strategies. Monitoring will allow for adjustments to be made if certain programmes, outputs and activities are judged to no longer be effective, or require mid-course alteration, for overall strategy delivery.

As part of the Government's management of SSDP and tracking of results, a ministerial SSDP management committee will be formed, chaired by the Office of the President (OP), with MoFEP acting as the Secretariat. This will provide the Government with a forum through which to monitor overall progress towards the SSDP vision. This committee will be responsible for producing an SSDP Annual Review, to be discussed during an annual High-Level Partnership Forum (HPF) between the Government and DPs. Production of the report will be synchronised with the annual budget calendar so that the necessary financial information is available on which to make informed judgments about strategy performance and value for money. Given the short period of this SSDP, the Government proposes to undertake one mid-term review (tentatively scheduled for around November 2015) with a final review at the end of the plan period in December 2020.

VI. Housing And Basic Services

35. Slum upgrading and prevention

36. Improving access to adequate housing

37. Ensuring sustainable access to safe drinking water

Access to water and sanitation is a basic right and an essential public service. Yet, as a result of war, the destruction of infrastructure, lack of capital investment and poor service delivery, many South Sudanese citizens are denied access to both potable water and basic sanitation services. In many cases the sources that supply and systems that distribute water are in disrepair and other modes of supply are either expensive (private water vendors) and/or of poor quality. Water treatment facilities in many urban and rural towns are either absent or dysfunctional and piped-networks cover only a small proportion of the towns. Many citizens are accessing their water from a river or stream, putting them at high risk of contracting water borne diseases.

Expanding access to domestic water and sanitation remains a national priority and the demand for such services is expected to rise as the population grows and urbanization continues. Improved public infrastructure, sustainable environmental management and improved public administration and good governance in the country are *key strategic goals* of the Government of the Republic of South Sudan.

Sector Overview

South Sudan is not alone in having a variety of data sources presenting different figures and this important issue presents a key challenge to the planning process emphasizing the importance of consensus. Coverage has improved between 1990 and 2009 according to the WB funded CSO, but the challenges are still significant

- Average water supply coverage increased from 19% to 27% (mainly rural), average sanitation coverage increased from 1% to 5%.
- An additional 589,000 people/year (water) and 762,000million people/year (sanitation) would need improved access to reach the MDGs.

| | 1990 | 1995 | 2000 | Add covered | MDG | Replacement/ | Total | Public Investment | MDG |
|--|------|------|------|-------------|-----|--------------|-------------|-------------------|-----|
| | (%) | (%) | (%) | (000/ year) | weN | MDG | (m\$/ year) | MDG | MDG |
|  Water | 19 | 23 | 26 | 34 | 91 | 72 | 64 | 64 | 71 |
|  Urban Water | 01 | 01 | 05 | 21 | 6 | 4 | 01 | 01 | 42 |
|  Rural Water | 19 | 22 | 25 | 95 | 52 | 13 | 65 | 65 | 14 |
|  Sanitation | 00 | 02 | 05 | 36 | 11 | 62 | 63 | 63 | 4 |
|  Urban Sanitation | 05 | 01 | 05 | 81 | 34 | 69 | 92 | 92 | 5 |
|  Total Sanitation | 01 | 05 | 05 | 27 | 41 | 21 | 52 | 52 | 9 |

Expenditure requirements

Rural and urban water supplies are among the six expenditure priorities of the government of Sudan but the challenge is considerable. Current assessments indicate that MDG annual

investment requirements are USD 56 m (water supply) and USD 275m (sanitation) with planned investment currently set at 73% (water supply) and 4% (sanitation) of total investment required. If this current trend continues only 30% (water supply) and 6 % (sanitation) of the population will be covered by 2015 compared to 59% and 50% set by the MDGs

PART B: Enabling Environment Sector Organization

On analysis the Government of South Sudan is building a strong development platform. Of particular note were the institutional reforms and new water policy which followed the signing of the Comprehensive Peace Agreement in 2005 and the establishment of the Ministry of Water Resources and Irrigation as the leading government water institution.

Decentralization has been promoted with budgeting cascading up through the different levels and some key standards set (although not with respect to tariffs).

The aid environment (including an aid strategy and budget sector working groups) has been an important part of the peace-building and development process. Although there are some large bilateral sector donors there are also a number of pooled funding approaches which include the Multi-Donor Trust Fund, the United Nations Common Humanitarian Fund, a Basic Services Fund and a pooled capacity building fund which (although in need of streamlining) indicate a strong commitment for alignment and harmonization . Donor funding is generally perceived to be being spent effectively. The Ministry has established a Water Sector Steering Committee and donors have established their own advisory group which together with the pooled funding is key prerequisites for a Sector Wide Approach. The latter will require transition from humanitarian to state building programmes.

While there is good overall policy it was noted that there is a need for sub-sector strategies to articulate policy backed up by an appropriate legislative and regulatory framework to include enforcement and tariff setting.

Overlap (fragmentation), gaps and conflict were noted in the institutional analysis together with the need to strengthen support for the states with a much clearer definition of roles and responsibilities particularly for sanitation.

Capacity building was a noted priority for all levels with emphasis on the coordinating role of the Ministry of Water Resources and Irrigation to foster the involvement of all stakeholders while ensuring greater accountability. A heavy reliance on Project Management Units, consultants and varying pay differentials are a threat to government staff morale and motivation.

Sector Planning and Coordination

In the planning and budgeting context, full utilization of budgeted funds usually for capital projects is an emerging issue. This has been compounded by the availability of sound data to facilitate more equitable prioritization (currently heavily weighted in the urban favour) and target setting was seen as a key prerequisite to planned sector investment and ultimately a pooled financing mechanism.

The Budget Sector Working Groups although useful need a stronger and more continuous water and sanitation focus. It was noted that although rural and urban water supply are among the six government priority areas, they still commanded less than 1% of the 2009 budget with a heavy

Box: Policy Priorities and Guidelines

- Improved access to be prioritized over improved quality of water;
- Improved access to basic sanitation in small towns and peri-urban areas to be prioritized over rural sanitation investment;
- The need to combine water supply with sanitation and hygiene interventions;
- The requirement to provide technological options and give communities a choice based on financial and managerial capacity and accessibility of location.

dependency on donors creating a high degree of uncertainty for the future and doubts about MDG attainment.

On the AID front, trade-offs were acknowledged between the pressing demands of humanitarian, recovery and development interventions and the need for better coordination. There is acknowledgement of the risk posed by increasing numbers of bilateral projects although some officials commend them as less bureaucratic and therefore more effective in achieving small scale targets.

Finally, the analysis emphasised the importance of a reliable sector information management system with close sub-sector monitoring.

PART C: Delivering and Sustaining Infrastructure Sub-Sector Performance

The sub-sector analysis emphasized the importance of clarifying institutional roles and responsibilities across the sub-sectors while recognizing that many structures are being built from scratch. Further analysis suggests that the decentralization policy, the new legislative framework for local government and the needs of the WASH sector need closer coordination.

The urban water supply analysis emphasized the importance of increasing the autonomy of water corporations with improved performance management. For both urban water and sanitation, cost recovery was considered an emerging issue together with the need to expand the role of the local private sector, NGOs and CBOs and to track and relate inputs to outputs.

Assessment of rural water supply and sanitation emphasized the logistical difficulties and the need for greater community involvement through improved software. Stronger community leadership would need to be complemented by improved supply chains and a wider choice of technology/service level. Assigning sanitation responsibility at local council level is considered a high priority along with interventions to increase access to latrines, hygiene and ensure water quality with a formal monitoring system.

The local development fund has the potential to accord the lower tiers some degree of autonomy.

38. Ensuring sustainable access to basic sanitation and drainage

39. Improving access to clean domestic energy

40. Improving access to sustainable means of transport

41. Challenges experienced and lessons learnt in these areas

Improved donor coordination driven by the Ministry of Finance and Economic Planning through the budget sector working groups has improved overall budgeting. The decentralization process is progressing within the new federal structure and there have been significant local government reforms. An innovative step and possible lesson for other countries has been the integration of traditional local structures into local government. For other post conflict states, South Sudan offers important lessons (a possible case study) on general reconstruction showing the benefits of pooled funding, the introduction of a performance-based incentive regime linked to the essential supportive supervision to ensure accountability.

42. Future challenges and issues that could be addressed by a New Urban Agenda

Outstanding Issues

The Country Status Overview will now benefit from an expanded sector dialogue stimulated by this draft report and the establishment of formal, multi-stakeholder, thematic working groups to provide more detailed inputs to wider sector development. This process will be further strengthened by an overview of the range of service delivery approaches taken by different countries in the region along with related reports on sector outcomes;

Way Forward

The CSO report has revealed many challenges which include the pressing need to clarify institutional roles and responsibilities and provide appropriate capacity building and incentives with sanitation a particular priority along with increased autonomy for urban water institutions. The CSO process might be used as an annual sector situation analysis within an appropriate multi-stakeholder governance structure which would use the country status overview to help develop consensus on priorities, improve coordination and lead into a sector-wide approach. If properly managed this could result in expanded (more predictable) funding, better coordination, greater accountability, enhanced performance, improved alignment at sector level resulting in a more sustainable sector environment.

Consultation

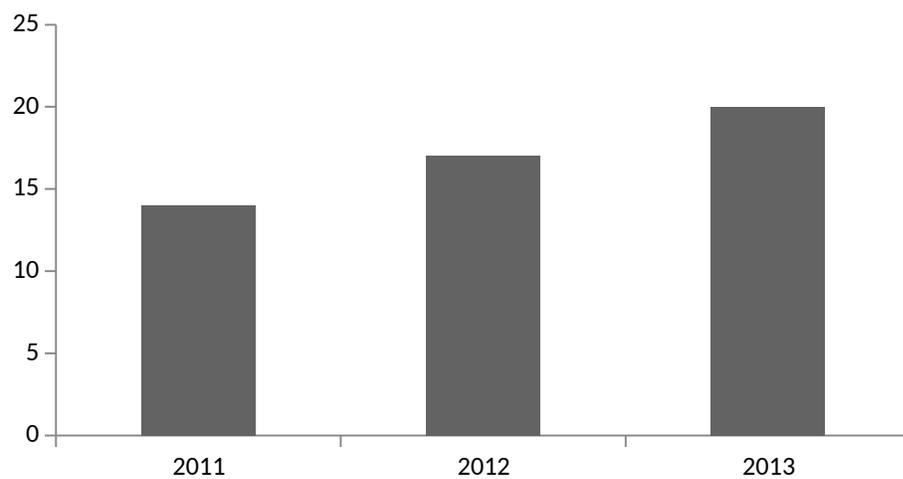
Phase I: Literature review, consultation and drafting CSO report for comments (now included).

Phase II: Ongoing country sector policy dialogue led by a CSO task force advising the ministry and reporting to the sector steering committee. The Task Force will edit the CSO report and make recommendations (undertakings) to the national (Joint Sector/multi-Stakeholder) biannual review to finalize the CSO report, agree future CSO and make suggestions for the way forward.

VII. Urban Indicators

i. Percentage of population that has accesses to dignified houses

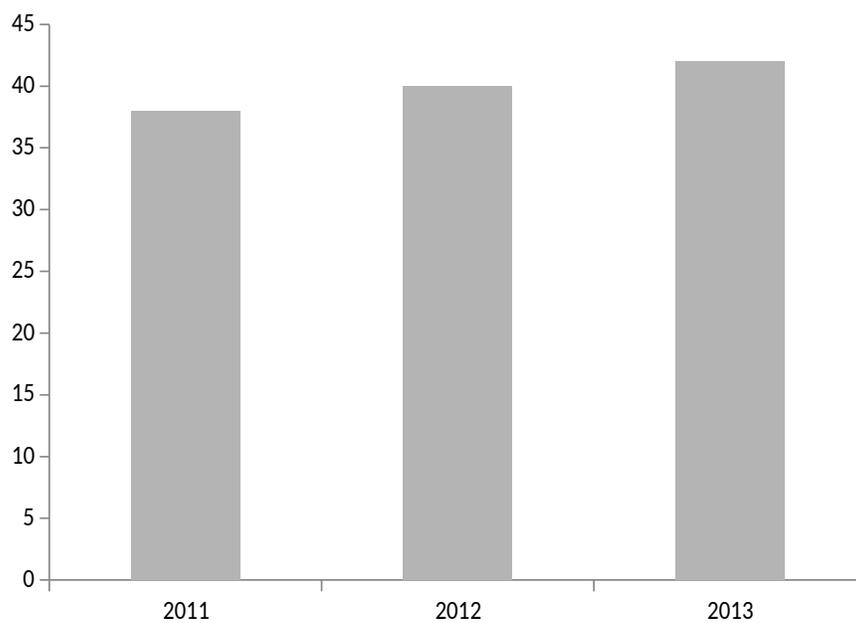
Percentage of population that has accesses to dignified houses



| Year | Percent |
|------|---------|
| 2011 | 14 |
| 2012 | 17 |
| 2013 | 20 |

SSCCES/MHPP (HOUSE SURVEY)

Percentage of urban population with accesses to improved sanitation facilities

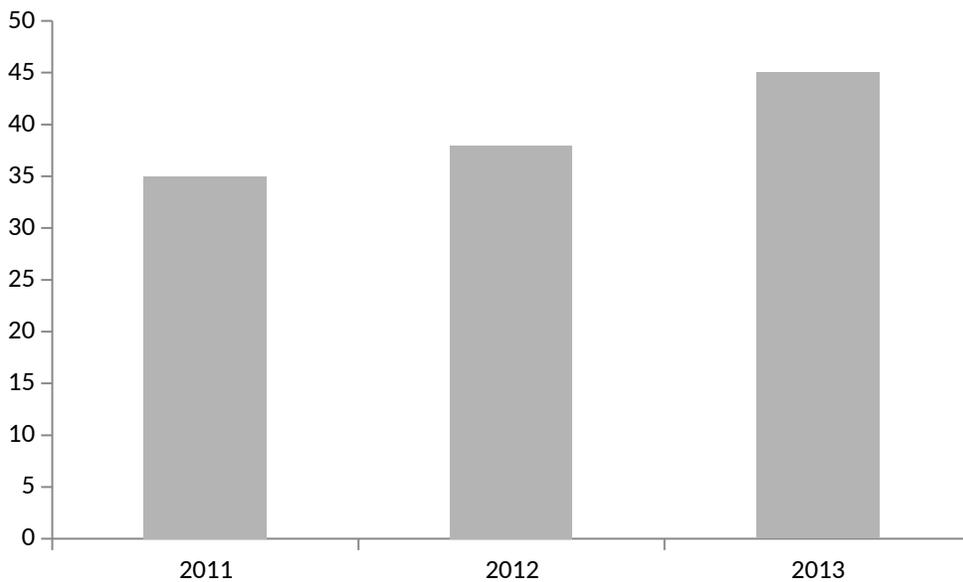


ii. Percentage of urban population with accesses to improved sanitation

| Year | Percent |
|------|---------|
| 2011 | 38 |
| 2012 | 40 |
| 2013 | 42 |

SSCCES/MHPP (HOUSE SURVEY)

Percentage of urban population with accesses to potable water

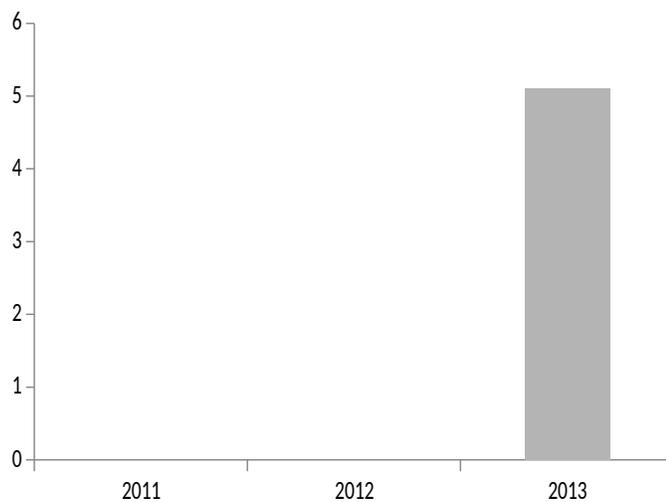


iii. Percentage of urban population with accesses to potable water

| Year | Percent |
|------|---------|
| 2011 | 35 |
| 2012 | 38 |
| 2013 | 45 |

SSCCES/SSUWC (HOUSE SURVEY)

percentage of urban population with accesses to clean domestic energy (Electricity)

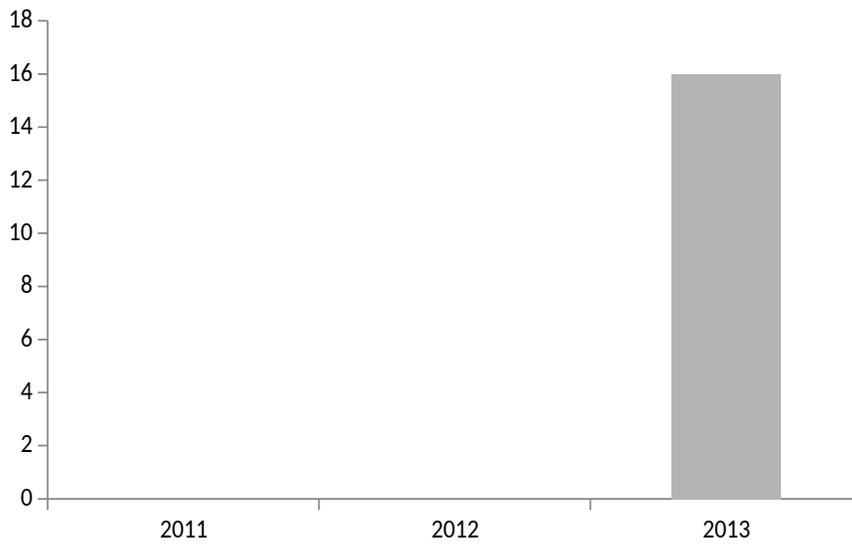


iv. **Percentage of urban population with accesses to clean Domestic energy (Solar energy)**

| Year | Percent |
|------|---------|
| 2011 | 0 |
| 2012 | 0 |
| 2013 | 5.1 |

Source: House Survey 2009

Percentage of urban population with accesses to regular waste collection



v. **Percentage of urban population with accesses to regular waste collections**

| Year | Percent |
|------|---------|
| 2011 | 0 |
| 2012 | 0 |
| 2013 | 16 |

Source: House Survey 2009

vi. **Level of effective decentralization, measured by:**

- a) Percentage % of urban policies and legislation in whose formulation local and provincial Government participated from 1996 to present
 - 2013 no data available
 - 2006 no data available
 - 1996 no data available

- b) Percentage share of both income and expenditure allocated to provincial and local governments from national budget
2013: states 24% (2013 Budget Review)
2006: no data
1996 no data
- c) Percentage share of local authorities expenditure financed from local revenue
2013: data not available
2006 data not available
1996 data not available
- vii. **Percentage of city, regional and national governments that have implemented urban policies supportive of local economic development and creation of decent jobs and livelihoods**

2013 – Less 10% estimate
2006 – No data available
1996 – No data available
- viii. **Percentage of city and regional governments that have adopted or implemented urban safety and security strategies**

2013 – Less than 100%
2006 – No data available
1996 – No data available
- ix. **Percentage of city and regional governments that have implemented plans and designs for sustainable, resilient cities that are inclusive and respond adequately to urban growth**

No data available
- x. **Share of national gross domestic product (GDP) that is produced in urban areas**
- xi. **Any other urban-related data relevant to the National Report**
 - 1) South Sudan's economy
Establishing a clear picture of the performance of South Sudan's economy is hampered by a lack of available economic data, which makes trend analysis particularly difficult. The shortage of macro-economic data is partly due to the fact that South Sudan has not been an independent country and partly because of there not having been as high a demand for statistics at the aggregate level as is now required.
The economy is characterized by high dependence on a depleting oil resource, currently limited domestic production and a high reliance on imports. Although the oil revenues are significant, production from existing fields has peaked and the revenues will gradually decline in the years ahead unless new discoveries take place (see Figure 6). Volatility in the prices and production of oil makes macro-economic and budgetary planning difficult.
The non-oil economy is based predominantly on subsistence farming and livestock-rearing. Yet South Sudan is still dependent on food imports and, despite a considerable number of families owning livestock, the productive use of these assets is limited and limited transport infrastructure makes it difficult to transport products to markets.
 - 2) GDP and GNI per capita

Gross Domestic Product (GDP) is the market value of all final goods and services produced in a country over one year. According to provisional SSCCSE estimates, nominal GDP of South Sudan in 2009 was 24.95 billion Sudanese pounds (SDGs), or SDG 2,967 per capita. With an average exchange rate in 2009 of 2.31 pounds per US dollar, this is \$1,285 per capita. GDP is dominated by the oil sector; in 2009, oil exports were 66% of the value of GDP. GDP per capita of South Sudan is shown against comparator countries in Figure 7.

GDP per capita is often used as an indicator of economic development. However, in South Sudan a large percentage of the value of oil exports is not income received by residents of South Sudan. Under the wealth-sharing agreement given in CPA, GoSS and the state governments of Unity and Upper Nile combined receive 51% of the government share of oil and the Government of National Unity (GoNU) in Khartoum receives the rest. Foreign-owned firms receive another significant fraction of oil as profit. Gross National Income (GNI) is equal to GDP plus income from South Sudanese citizens earned abroad minus income of foreigners earned in South Sudan. Since it excludes government revenue received by GoNU and profit received by foreign-owned firms, it is likely to be a more accurate indicator of economic development for South Sudan. The GNI for South Sudan is \$888 per capita, making South Sudan a low -income country.³

3) Inflation

Inflation refers to an increase in the general level of prices. The Consumer Price Index (CPI) tracks the prices of a specific basket of goods in order to estimate overall price inflation across the economy. This is the only available measure of inflation in South Sudan and is currently only available for Juba, although data are now being collected in a number of state capitals to provide a nationally representative measure of CPI.

CPI inflation in Juba is driven primarily by changes in the price of food, which makes up two thirds of the consumption basket used to measure inflation. Food prices, which are dependent on the weather and other factors, are less stable than non-food items, such that when overall inflation is driven by food price changes, it is likely to be relatively volatile. Figure 8 shows the annual CPI inflation for all items and for food and non-alcoholic beverages. Annual inflation fell steadily throughout 2009 and 2010 following the high inflation of 2008, which reached 26% in April of that year (the first year for which annual inflation data is available). These high levels were driven by a sharp rise in global food and petrol prices in the first half of that year. Inflation then rose at the end of 2010 and beginning of 2011, with all items annual inflation reaching 39.4% in May 2011 as global food and fuel prices again rose markedly.

4) Exchange rates

On the 18th of July, 2011 South Sudan assumed responsibility for its own currency regime by introducing the South Sudan Pound (SSP). The exchange rate regime for the SSP is a managed float, similar to the exchange rate regime used by Khartoum prior to independence. Prior to independence the official exchange rate against the US dollar had remained broadly stable since the Sudanese pound's introduction, currently at SDG 2.7 to the dollar.⁴ However a significant number of foreign exchange transactions take place in a legal parallel market.

The divergence between the official and the parallel market exchange rate in South Sudan has increased in recent months, and it is currently estimated that the market value of the Sudanese pound in Juba is around 20% lower than the official rate. International experience has demonstrated that a large divergence between the official and the market exchange rates can lead to a weakening in confidence in the official value, increasing market speculation against the currency and the underlying monetary regime

3 □ Low-income economies are those with an income of \$995 or less in 2009, as classified by the World Bank.

4 □ Bank of Southern Sudan website www.bankofsouthsudan.org.

exhausting foreign exchange reserves used to stabilize import financing, and leading to 'dollarization' of the economy.

5) Government revenue

6) Resource revenue (oil revenue)

As noted, our revenue is highly reliant on a single source of revenue. The 2011 budget derives 98% of the government revenue from oil. This makes South Sudan the most dependent economy in the world on a single and volatile commodity (see Figure 8b). This high reliance has created a situation of volatile revenues and, due to the lack of buffer savings through the CPA period, unstable government expenditure patterns. No effective strategy has so far been developed for when oil prices are higher than expected so that volatility in world oil prices is very closely linked to national expenditure patterns. Volatile public spending is extremely damaging for the economy as it increases the risk that spending commitments, such as teachers' salaries or contract payments, are not paid, not to mention the destabilising effect it can have on other price levels. Figure 8c clearly demonstrates this relationship between monthly oil revenue and expenditure.

One reason for the inability to separate monthly spending from revenue has been the failure of the Oil Revenue Stabilization Account (ORSA) to operate as a functioning stabilization account.⁵ As Figure 8d demonstrates, ORSA deposits could have reached \$6.2 billion by 2010; however, withdrawals had reached \$6.2 billion by the end of 2010.

This pattern is largely due to the structure of ORSA. With both the North and South of Sudan able to initiate a drawdown, the fund did not create an appropriate commitment mechanism to allow balances to accrue. Furthermore by allowing the North to set the benchmark price for oil deposits into the account, which has been typically set at a low level, the South's ability to control its overall resource envelope and commit to the fund was significantly undermined, as ORSA drawdowns were deemed politically necessary to fund budgetary resources. To illustrate, ORSA withdrawals made up around one third of the budget in 2009 and 2010.

Current oil revenue forecasts show that oil production from existing fields has peaked and that oil revenues will decline by approximately 50% over the next five years. If oil revenues are spent as they are received going forward, a severe cut in public expenditures is unavoidable when oil production declines and ultimately ceases, unless other revenue sources compensate for the shortfall in oil revenues. However, it is not likely that other revenues of that magnitude will arise in the short and medium term.

7) Non-oil revenue

Since 2008, non-oil revenue had accounted for 2-3% of total GoSS revenue. Personal income tax fell from about SDG85 million in 2008 and 2009 to an estimated SDG40 million in 2010. The sum of customs, VAT and other national revenue, all related to the national government, has fluctuated around SDG20 million SDG. Other GoSS revenue has been on a positive trend, rising from SDG15 million in 2008 to a projected SDG54 million in 2011. With independence, a current lack of clarity as to attribution of corporate and personal income tax will be resolved, and revenue collection may increase from the existing, though small, base. To benefit from this opportunity, there must be improved implementation and coordination of tax administration at GoSS and state levels.

8) Government spending

The overall level of government spending for 2011 is budgeted to be SDG5.7 billion. Due to independence and referendum-related expenditures it is expected that through the mid-year budget review the 2011 approved budget will be revised upwards toward SDG10 billion for the coming fiscal year. Since 2006, the lowest level was SDG3 billion in 2007, and the highest was SDG5.7 billion in 2008. The composition of spending has

5 A commodity stabilisation account can stabilise either prices to the producer or total revenue. When world commodity market prices fluctuate, revenues above a predetermined reference price are set aside in an income-earning fund. When revenues fall below a predetermined price, this fund disburses so the revenue stream remains relatively constant.

fluctuated over time, as since the salary bill is relatively stable, operating and capital costs have had to be adjusted to achieve zero budget surpluses (Figure 9a). This means that when revenues fall below expected levels it is capital spending that bears the brunt of the cutbacks, leading to halting investment projects before completion. The 2011 budget allocations are 42.5% to salaries, 36.9% to operating costs and only 20.6% to capital.

Fluctuation affects all pillars (Figure 9b), but in particular those of economic development and governance, where salaries constitute a relatively low share (around 20% in 2010p and 2011d). The salary share in the social and human development pillar is 63% and 53% in 2010p and 2011d, while the corresponding figures for conflict prevention and security are 68% and 74%.

In the years 2006-2010, 40% or more of central government expenditure was allocated to conflict prevention and security (Figure 9c). The draft budget for 2011 suggests a lower share of 38%. Economic development and governance have both fluctuated around a share of 20% of the budget over 2008-2011, with higher volatility in the latter. The pillar with the lowest budget allocation is social and human development, with less than 10% of expenditures over 2008-2010, in spite of the importance given to health and education at the policy level (Figure 9d).

Macroeconomic management challenges

To develop a policy framework for the effective management of South Sudan's economy over the SSDP period, it is vital that the key challenges are understood. This section will consider the most important macro-economic challenges facing the country today and potentially in the future.

9) Oil dependence

Figure 10 shows the historic production of oil (barrels per day) from existing fields. This is then projected forward to 2035 to show the possible dramatic decline in oil production (and hence revenue) that is likely to occur in the absence of new discoveries or investment to improve recovery rates⁶ from existing wells. The production of oil in South Sudan⁷ peaked in 2009 at 365,000 barrels per day. While production in 2011 is estimated at 357,000 barrels per day, this is expected to fall to 197,000 barrels per day five years on (Figure 10). The expected production level in 2025 is only 55,000 barrels per day. Even if additional oil fields are discovered or new technologies allow greater recovery from existing fields, GoSS cannot be certain about future revenues and there is no guarantee that world prices will not fall low enough to make extraction financially unfeasible.

South Sudan's total oil wealth is estimated at \$38 billion and includes estimated future revenues from existing oil fields. Expected total oil revenues from blocks located in South Sudan in 2011 will be \$7.4 billion, which will fall to \$4.2 billion five years later and eventually disappear.⁸ A sustainable fiscal policy requires de-coupling the revenues from public expenditures. As already discussed, volatile revenue streams cause unpredictable public spending, negatively affecting service delivery and investment.

The global financial crisis of 2008-09 clearly demonstrated the vulnerability of an oil-dependent and undiversified economy. A rapid and dramatic slump in global oil prices led to a sharp contraction in public revenues [See Figure 10 below]. Spending commitments that had been made based on assumptions of high oil prices could no longer be met and the government struggled to pay salaries and state transfers, let alone maintain critical investment levels in education, health and infrastructure. Applying the

6 □ The percentage of oil in place that is actually extracted: this is estimated at just 23% in Sudan, low by international standards. European Coalition on Oil in Sudan, Sudan's Oil Industry on the Eve of the Referendum, 2010.

7 □ Includes blocks 1a, 1b, 5a and 3d, 3e and 7e.

8 □ Gross of any tariffs and transportation fees paid to the North.

lessons learned from this experience, three key goals for macroeconomic policy are: (i) breaking the link between monthly government revenues and expenditure; (ii) setting aside oil revenue to smooth spending and ensure long-run fiscal sustainability; and (iii) diversifying the economy to diminish the dominance of oil.

Given the rate at which oil revenues are likely to decline, it will be extremely difficult to build up non-oil revenues quickly enough to off-set this reduction. To illustrate, even if non-oil revenues were to grow at a rate of 15% per year, total revenues would still be likely to see a significant drop-off over the next twenty years, as demonstrated in Figure 10.

To achieve macroeconomic stability and long-run fiscal sustainability, it is important that a considerable proportion of our oil revenue should be put aside in savings. This will allow us to build up a financial buffer to cushion the economy against volatility in oil revenues; as well as providing savings for the future to avoid a significant drop-off in public spending in future years. Calculations made by MoFEP suggest that sustaining South Sudan's oil wealth in real terms requires a level of spending of oil revenues not exceeding approximately \$1.2 billion⁹.

As well as generating an unduly narrow platform for growth, relying too heavily on oil revenues can also cause an economy to suffer from 'Dutch Disease'. This refers to a situation of large inflows of foreign exchange revenue putting upward pressure on the real value of the domestic currency. This makes imported goods cheaper as one SDG can buy more foreign currency, causing domestic producers of 'tradeable' goods (e.g. bottled beer, vegetables or Gum Arabic) to become less competitive relative to imports or other countries' exporters. As a result, imports increase and domestic labour and capital shifts away from producing tradeable goods toward producing 'non-tradeable' goods (goods and services that cannot be exported, e.g. restaurant meals or taxi rides).

While the value of the currency remains high due to the large inflows of foreign exchange generated by oil exports, the competitiveness of potential new businesses to compete with imports or produce goods for export will be seriously constrained. International experience shows that tradeable goods sectors have relatively high potential for productivity improvements, and specializing in these sectors can set the economy on to a high growth path.

10) Absorptive capacity constraints

If government spending is to be used effectively to address the priority needs of South Sudan, it is important to consider the 'absorptive capacity' of the economy. Absorptive capacity refers to the degree to which an economy is able to use resources effectively to deliver the intended outcomes without driving up other costs in the economy or diverting resources from elsewhere.

For example, if the Government spends large amounts of money on construction projects but there are not enough construction workers and equipment to deliver services, the result will be increasing unit costs. Such factors that limit the ability of an economy to make good use of additional funds, whether from government spending, donor funding or foreign direct investment, mean that additional spending will generate few benefits and risk increasing inflation.

Other constraints include limited human capital, institutional and organizational structures and domestic production capacity. Limited absorptive capacity further supports the need to defer some spending while bottlenecks exist in order to increase value for money of public expenditure.

11) Limited experience of macroeconomic management

The principle of making unity attractive, enshrined in CPA, ensured that Khartoum retained responsibility for macroeconomic management. Moreover, control over currency creation, oil sales and transfers to the South ensured Khartoum's remit to

⁹ □ The oil wealth and permanent income calculations are further presented in the Annex 8.

analyze and manage the macroeconomic environment. Since 2005, GoSS has focused on immediate issues such as establishing a government, developing a national budget and managing its substantial oil resources, leaving macroeconomic management to GoNU. DPs also complied with this situation, working to strengthen the Bank of Southern Sudan (BoSS)'s supervisory capacity while still a branch of CBS. Nevertheless, at independence, the Government will take on a large number of new responsibilities in which it has only limited experience. It will be important to ensure a coherent, medium-term technical assistance strategy to provide advice and training to the agencies responsible for macroeconomic management.

VIII. Case Studies Studies and Policy Documents

