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**Sudan Regional
Finance and
Planning Project**

**SECOND QUARTERLY
REPORT, 1984**

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SUDAN REGIONAL FINANCE AND PLANNING PROJECT

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August 14, 1984

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Attached herewith is the Second Quarterly Report for
1984 for the Sudan Regional Finance and Planning
Project.

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GENERAL SURVEY

The second quarter was a very productive period for the SRFPP. Major gains were made in the area of training: the local survey phase in the preparation of the project handbook was completed and first draft writing begun, and, although more modest, advances also were made in the areas of research and model projects. These and other issues are reviewed below.

TRAINING

In both Equatoria and Kordofan substantial progress was made in attaining, and in fact surpassing, the SRFPP's training targets. In Equatoria three courses were offered at project expense. One was a two weeks training course offered in conjunction with the Inter Regional Training Project (IRTP) for 11 area council executive officers in budgeting, financial planning, and council management. A second was a seven weeks course on land use and conservation for 18 participants. Finally, the SRFPP financed the tuition, per diems and travel expenses of 27 long term trainees in the year long Induction Course offered by the Regional Accountancy Training Center (RATC). This course is designed to upgrade the administrative skills of secondary school leavers in government service. Those attending are from Upper Nile and Equatoria. Bahr El Ghazal was invited to participate but declined to do so, electing instead to attempt to develop their own training programs and facilities. This policy, while understandable, implies a costly replication of existing institutions and complicates the SRFPP's training strategy for the South at large. A strengthening grant has been offered the RATC to enable it to serve as an interregional training institution for the project. Although the RATC has expressed willingness to present special courses in Wau, their frequency inevitably will be less than offerings in Juba and the project's overall impact reduced accordingly.

In Kordofan the project provided five courses for regional government personnel. Three of these were offered in collaboration with the Sudan Academy for Administrative Sciences (SAAS) on subjects such as data collection and management, decision making, budgeting, and other aspects of public administration. Each of these courses was tailored to serve the respective needs of high level administrators, department heads and middle level administrators in regional government. Altogether 34 participants benefitted from these courses. In addition, an English language course under the auspices of the American Center was offered in El Obeid for 14 college graduates to expand their English language capabilities. The intent was to improve their job performances, as well as their chances of benefitting from U.S. training. Finally a course emphasizing English reading comprehension was offered typists and secretaries from the regional ministries. Fifteen persons participated in this course. Taken together, these two English courses should enlarge the volume of information the Kordofan regional government can effectively absorb. A brief description of these Kordofan courses is provided in Appendix I.

Finally, a special short course on project appraisal techniques was offered by the Development Studies Research Center (DSRC), April 29 - May 10, on behalf of the SRFPP. This course emphasized the logic and application of standard project appraisal techniques. All told 16 analysts representing the ministries of finance, public works, agriculture, and health of Kordofan, Upper Nile, Bahr El Ghazal, Equatoria, Darfur, and Northern regions benefitted from this course on the principles of project appraisal.

In the field of training several major courses have been arranged for the next six months. Among them, a six weeks course on Regional Planning and Rural Development, in Arabic, is scheduled to begin in December. This course will be given in

Cairo by the Institute of National Planning for 25 participants from the target regions. In Khartoum a three month course for area council officials, to begin on September 15, is scheduled to be given by the Institute of Accountancy Studies (IAS). The IAS will accept as many as 30 participants. This course will provide instruction on GOS financial regulations, government accounting and commercial accounting for area council officials and middle level staff of the regional ministries of finance.

In Kordofan a series of short courses is being planned on each of the main stages of the project cycle. Training in data collection and research methods is also envisioned. In Equatoria, the year long Induction Course will continue as a major project sponsored training activity. In addition, a new three months course on project management is being developed by the Juba advisor and the staff of the RATC. This course is expected to start in August or September.

In the area of long term training, the SRFPP has sponsored 11 candidates for admission to DSRC programs. These include four candidates for admission to the M.Sc. program in economics and seven for the diploma course in development planning. Concerning U.S. training, the SRFPP is sponsoring M.Sc. programs for three candidates starting in September. By the end of the quarter one had been admitted to the University of Pittsburgh and another to Wisconsin (Madison).

RESEARCH

The level of project research activity rose significantly in the second quarter. A major element in this increased activity is the work of DAI associate John Wheeler in the course of preparing the area council project handbook. During the quarter Wheeler met with officials representing six area councils,

five rural or town councils and regional government in Bahr El Ghazal, Equatoria and Kordofan. First hand knowledge of actual conditions at this level of government is a prerequisite to determining the scope and content of an effective, usable handbook. Wheeler's appraisal of the capacity of these governmental units and the conditions under which they must operate is provided in a paper, "An Assessment of Area Council Performance" (see Appendix II).

In Equatoria, the SRFPP sponsored project preparation guide was completed in draft form and distributed for review. This guide is intended to complement the already completed Equatoria project proforma. Together these documents should contribute to the development of an orderly and uniform process of project development within the regional government. Other regional governments are encouraged to prepare similar documents which dovetail with the area council handbook to form an integrated framework for project development.

Other research related activities funded by the SRFPP in Equatoria include the refurbishing of a facility to house the planning directorate's library/documentation center and a field survey of existing public sector projects. The completion of the research center facilitates the accumulation of the data base needed for designing viable projects. The field survey coincidentally demonstrates the need to improve the quality of the project preparation process. A summary of the survey team's findings, "Evaluation Mission Report," is included here as Appendix III. The mission report and the Wheeler paper, taken together, provide the reader with considerable insight into conditions in the rural public sector.

In Kordofan, design of the long debated natural resource survey moved ahead with the appointment of a project manager, Abu Diek, of the regional agriculture ministry. At a June

meeting in El Obeid, Abu Diek described the goal as being the accumulation of a detailed inventory of data having functional value in development programming. Included would be information on soils, water, livestock, land use, and human resources. The information will be stored in a written file and a map file. The written file will include details on sampling methodology, resource use, interpretation of the findings, and policy recommendations. The map file will include a representation for each subregion and overall maps of Kordofan. A written work plan, time frame, and budget are in preparation. In practice the day to day survey work will be done by Kordofan research teams, reinforced and supported by outside expertise as needed. To avoid duplication of existing research, a small team will collect, survey and catalogue completed studies and reports.

In the area of institutional research and development, 20 administrative officers for project planning are to be appointed in Kordofan - two for each district council. To facilitate the training of these officials the SRFPF will conduct a training needs assessment of this new cadre. The basic questionnaire, based on RHUDO, Assessing the Training Needs of Local Authorities: A How-To Manual, will be administered by the regional planning staff, with evaluation and training program recommendations being provided by the Kordofan advisor and the chief of party.

Project research activity also included two papers by members of the long term advisory team. These are "Self-Administration in Kordofan Region: Will the "Helpers" Help Development Planning?" by the Kordofan advisor, and "The Macroeconomic Environment of Decentralization," by the chief of party. The former assesses the implications of the current official attempt to reinstate traditional leaders in the administrative process. The latter documents the recent decline in Sudanese productivity

and considers the attempt to decentralize government in that context. These papers are included in this report at Appendices IV and V.

The potential of the SRFPP to assist in regional research and model projects was enhanced during the second quarter by the introduction of the first detailed work plan for Bahr El Ghazal Region. (See Appendix VI.) At the present time the new BGR government has little or no economic or social data and no documentation facility. To rectify this situation, the SRFPP will refurbish and equip an existing structure to serve as a documentation center. Raymond Aguek Akok, Senior Planning Officer, has been made responsible for collecting economic and social data pertaining to BGR from all known secondary sources. The SRFPP will finance all travel and per diem expenses involved in his research.

MODEL PROJECTS

The new BGR work plan is noteworthy in that it contains a prototype outline for financing small, local, self-help projects through SRFPP model project funds. The BGR formula, worked out by SRFPP administration and regional officials, lists selection criteria, specifies basic information requirements for proposed projects, and establishes ground rules for accountability. Relying as it does on regional and local officials to collaborate in preparing projects, and allocating SRFPP funds, it is an experimental approach. If, after a year, resources have been wasted, the experiment should be abandoned. An initial tranche of LS 50,000 was allocated to BGR planning officers to start the process.

In Kordofan, where a similar approach to preparing small projects has been adopted, two small projects were financed during the quarter. These are two health sector projects, one in El Bahria and one in Sodari, for a combined value of LS 35,407.

Equatoria officials have been invited to include proposals for a similar small projects financing facility in their next work plan.

In the field of larger projects, only in the Kheiran project was there any progress. By the end of the quarter all 20 wells were completed, with pumps installed in five. It is expected that the first crops will be planted in the coming winter growing season. In Equatoria, design problems continue to plague the proposed vegetable market project.

The difficulties encountered by the SRFPP notwithstanding, the outlook for applying the model projects fund is improving. When the area council project handbook is completed and widely distributed, it is reasonable to expect higher standards in project description and design to apply. Backing up the handbook will be regional small projects facilities, so that as the long term advisory team phases out in the third quarter a manageable small projects preparation and financing process should be in place in at least three of the target regions. Because of the security situation, contact with Upper Nile has been limited to training in Khartoum or Juba.

QUANTITATIVE ACHIEVEMENTS

Progress in terms of the project's quantitative benchmarks may now be briefly summarized.

The project clearly has been most successful in the field of LS funded training. The LOP benchmark targets for seminars and workshops, persons trained or in training in full time courses and total GOS personnel trained were all exceeded by the end of the second quarter. On the other hand, U.S. dollar funded training continues to lag because of the formidable barrier ALIGU and TOEFL test requirements represent for our nominees for U.S. training. Although the SRFPP may finance

as many as three additional persons in M.Sc. programs this autumn, it is now clear that these long and short course targets will not be achieved before the October phaseout of the DAI advisory personnel.

In the area of research, it is expected that the first stage funding of the Kordofan resource inventory will commence in the third quarter. If the publications acquisition phase of the Juba documentation center is completed in the third quarter, the resource inventory/documentation center benchmark should be exceeded by one. And with the preparation of the project handbook progressing on schedule, this target should also be met in the third quarter.

At this stage, the achievement of the training needs assessment target depends largely on the success of the survey of new area council planning officers in Kordofan. If this work is completed in July, the evaluation and curriculum development phase should follow in due course.

With the three studies included in this report, the number of research/studies completed rises to six. Two additional papers by the Kordofan advisor and the chief of party are now in process, which, when added to the Wheeler projects handbook, means that the benchmark target of nine should be achieved by October.

In the area of institution strengthening grants, two transfers were made in the second quarter. These were partial grants for purposes of procurement made to the DSRC and the IAS for LS 75,000 and LS 20,000, respectively. Thus two teaching institutions have been assisted as of the second quarter by the SRFPP. Total funding and the number of institutions assisted, however, are expected to rise as commitments are realized in the third to a figure somewhat in excess of LS 500,000. Commitments now stand as follows: RATC - LS 150,000; IRTP - LS 60,000; IAS - LS 170,000, and DSRC - LS 150,000. The quantitative achievements of the SRFPP are summarized for purposes of comparison with LOP targets in Table I.

Table 1. Quantitative Benchmarks (Planning)

<u>U.S. DOLLAR FUNDED</u>	<u>Cumulative Through Q₂ 1984</u>	<u>LOP Targets</u>
Technical Assistance		
Long-term (person months)	92	120
Short-term (person months)	4	20
Training		
M.Sc. (persons)	1	6
Short courses (persons)	1	6
Planning Research		
Project Development Handbook (LS/\$)	0	1
 <u>LS FUNDED</u>		
Training		
Seminars and Workshops	19	12
Full time Training (persons)	37	26
Total GOS Personnel Trained	285	200
Research		
Resources Inventory/Docu- mentation Center	1	2
Training Needs Assessment	0	1
Project Development Handbook	0	1
Research/Studies	6	9
Translations	4	13
Upgrading Institutions	2	2
Model Projects (Funding/ Implementation)	3	6

In closing this review of SRFPP progress and prospects it is perhaps wise to end with a caveat: the distinction between quantitative measures of achievement and the quality of achievement thus measured may be profound. This is especially true in the field of training and manpower development that is the critical factor in making decentralization work. In the forthcoming final report this distinction will be examined in depth.

David G. Edens
Chief of Party

SECOND QUARTERLY REPORT
KORDOFAN REGION
APRIL - JUNE 1984

The report for the quarter ending June 30, 1984 is divided into three sections. First an overview is provided of the accomplishments over the three month period in training, project activity, and research. Following this is a proposal for activities for the next work plan period, July through December 1984, with suggestions that would extend until June 1985. Finally, included are a summary of the discussions that took place in Khartoum with the project management (Government of Sudan, USAID, and Development Alternatives) concerning the proposed plan of activities, and conclusions reached to give an indication of the emphasis and future direction that the project will take once the technical assistance component ends in October 1984.

ACCOMPLISHMENTS

Training. Five courses were sponsored by the Regional Finance and Planning Project during the quarter. Two of the courses were remedial in nature offered to improve the English language skills of two groups of government employees: support staff engaged in typing and secretarial duties, and university graduates. Experience over the past two years, and more recently with disappointing performance on English language competency exams, suggested that training was desirable and necessary for better job performance, as well as for qualifying for training in professional areas conducted in English.

Two of the other courses were aimed at improving management and administrative skills of regional government officials. Management capabilities at the regional and sub-regional levels of government have been found to be weak. While individuals may be well trained in specific disciplines, few if any officials with management responsibilities have had any formal training in that area. Emphasis on management training is considered a necessary prerequisite for effectiveness of development planning activities in the region. Therefore, two courses, one for senior level officials and the other for middle level professionals were sponsored with the clear intention of developing a group of officials with skills and attitudes necessary to manage and administer personnel and other resources needed for development projects and programs in their ministries.

The fifth course that was sponsored was conducted in Khartoum. The course in cost accounting was another effort on the part of the region to use project resources for training in the area of finance and budgeting. Participants from several of the region's ministries had been sent in the last quarter to attend other such courses in financial management and accounting, and this quarter other officials were sent to take advantage of such training opportunities..

Summary of Training Conducted from April Through June 1984

Course Name	Duration	Number of Participants
Administrative Development for Executives	2 weeks	16
Cost Accounting	2 weeks	4
English Language Typists	6 weeks	15
Administrative Development for Middle Level Officers	2 weeks	14
English Language for Graduates	6 weeks	14

A description of each of the above courses is provided in Appendix I.

Beyond the formal training sponsored by the Regional Finance and Planning Project, several nonformal, on the job training activities were undertaken. The primary activity was the development of a project proposal to employ animal traction and improved land management and projection techniques in an area of western Kordofan presently using traditional rainfed cultivation to produce field crops such as sesame and millet. The work centered on further developing and detailing a project idea that the regional government had already begun to implement in the last fiscal year. Because of a reduction in the development budget and a shift in authorized allocations for other purposes, the project faced an uncertain future unless additional sources of funding could be located.

Two government officers, one from the Planning Department and the other from the Department of Agricultural Services, Ministry of Agriculture, who had been appointed as the manager of the scheme, worked together to revise the project, rethink the objectives, detail the activities that would take place, and package the project into a coherent written proposal. The Kordofan planning advisor worked closely with the Sudanese officials to assist them in identifying the content of the proposal, the specific information and analysis needs, critiquing their assumptions, and finally suggesting a process whereby the proposal would be reviewed at the regional level, endorsed with the commitment of necessary regional resources, and finally forwarded to Khartoum for review and approval.

The project proposal has been completed and is currently awaiting the response of the Minister of Agriculture to whom it has been presented. Following negotiations concerning the amount of the regional contribution to the project (manpower, equipment, infrastructure, and cash) the project will be submitted to the Directorate of Local and Regional Development for consideration under the model project fund of the Regional

Finance and Planning Project.

The second informal training activity undertaken during the quarter was a management study of the Bobaya Poultry Farm project which was designed and implemented last year under the auspices of the Regional Finance and Planning Project with financing from the American ambassador's Self Help Fund. A student from the University of Khartoum studying business administration was hired by the Department of Planning as a summer intern and assigned to this management study with assistance from other members of the department. The Kordofan planning advisor worked with the intern in the design of the study as well as a theoretical survey done to assess the market for poultry products in el Obeid. The final draft of the study will be released shortly. It contains recommendations for improved management of the farm as well as suggestions for future poultry projects in and around town.

Finally, an inventory of all regional personnel who have received training sponsored by the Regional Finance and Planning Project has been done to keep track of the people and their positions in the government. A copy of the inventory along with brief descriptions of the courses they attended has been sent to each regional ministry to enable them to keep records on the training of their own employees for purposes of manpower assessment, placement, and identification of future candidates for training. In addition, the Personnel Department of the regional government has also received a copy of the training inventory in order to update their personnel records if such information is used as the basis for promotion and salary increases. To date over 120 people have been sponsored for training with the resources made available by the Regional Finance and Planning Project.

Projects. Progress continued to be made in establishment of the supporting infrastructure for the Kheiran Vegetable

Production Project. Working with the Ministry of Housing and Public Utilities and their Rural Water Corporation has proved to be a frustrating and unsatisfactory experience. The corporation, which was selected by a ministerial decision to handle construction of the wells and installation of the engines and pumps, is badly overextended in its commitments, managed poorly, and deficient in trained and experienced supervisors, mechanics, and engineers.

Early in the quarter, excavation and construction of the twenty wells was completed, but the task of engine installation, testing, and deepening to be able to produce a quantity of water sufficient for irrigation was drawn out, poorly coordinated, and done in a manner best described by "trial and error." Several heated confrontations took place between farmers and the corporation's crews up on the sites as well as between the Department of Planning, project managers, and representatives of the Rural Corporation. It was suggested by the Kordofan planning advisor that the contract be split between the corporation and a private sector contractor to reduce the burden placed on the corporation and at the same time get the work completed. A sort of competition was suggested whereby an independent consultant would judge the quality and timeliness of the work of the corporation and the private contractor, with a bonus given to the party judged superior in overall performance. While this idea appealed to the project management and farmers, the Department of Planning and representatives of the corporation were less than enthusiastic, but for different reasons.

The combination of a proposed visit by project management from Khartoum and complaints from the farmers through their area representatives to the People's Assembly seems to have helped in getting the installation and well deepening problems resolved. By the end of the quarter, five of the twenty wells

were finished and pumping, although the quantity of water was still less than desirable. Because of an acute cash shortage all of the teams had returned to el Obeid for lack of pay by the end of June. It is hoped that after the Eid holiday, and the payment of back salary, the workers will return to the area to complete the remaining installations.

It appears that most farmers will plant their first crop this winter in the month of November. All other inputs are available with the exception of diesel fuel which the government would not allow to be stockpiled at an earlier time. While the project has taken much longer to establish than ever imagined, it appears that the first repayment from the production units can be expected following the sale of their winter crop in February 1985. It is hoped that the government will maintain interest in the project so that inputs are indeed delivered to the projection units and that repayment schedules are followed with proceeds plowed back into the project for expansion of the number of projection units. An evaluation to take place one year from now following the sale of the second crop (the higher valued summer vegetable crop) is suggested to be conducted, perhaps by an outside agency or government department from Khartoum.

The Intermediate Technology Project, which proposes to use animal traction and improved techniques of soil management and production strategies in Nuhud District (western Kordofan) has been completed and will be submitted shortly for review and approval to the DLRD in Khartoum. (See informal training discussion above.) The project has received extensive review at the regional level and has benefited from three rounds of revision. Without a doubt the proposal is the most thorough and comprehensive study to be undertaken by the regional government and represents the first project to be formally channelled through a multidisciplinary planning process. The process, once

gone through, is expected to be a model for the design and review of future development projects in the region.

Funds were received to implement the first of what is expected to be a significant program of small self help projects in the region. The Sodari Hospital and the el Bahria Dispensary projects were awarded their money and a program for monitoring and follow-up on progress in project implementation is being developed in conjunction with the UNICEF Zonal Development Project's small project fund. A proposal for systematically reviewing and selecting future small projects for funding through the Regional Finance and Planning Project is included in the work program for 1984-85 in part two of this report.

Following several iterations, a set of project planning and proposal writing guidelines have been developed for distribution to all districts, councils, and regional ministries. These guidelines provide in outline form the type of information that will be required for consideration of project proposals for financing from either the development budget or other external sources. This represents the first attempt to impose some order on an informal and unsatisfactory process of project identification and submission whereby no basis existed for analysis or selection of projects by the regional government. While it is too late to influence the proposals and allocations made from the development budget for the 1984-85 fiscal year, the guidelines will be useful in deciding upon allocation of several other small project funds (UNICEF, EEC, and RFPP) and improving the likely impact and effectiveness of these projects in overcoming problems in the region.

Research. Two research activities were initiated in the quarter, undertaken primarily by the Kordofan planning advisor with assistance from members of the Department of Planning. The first was an exploration into the significance of the government's decision to reinstate tribal chiefs as "self-

administrators." Of interest was the implications of such a change in the administrative structure for governing the rural areas of the region on the slowly evolving process for development planning. The findings of the study are discussed in Appendix IV.

The other study, which is still in progress, is an analysis of the development budget for the fiscal year just ending (1983-84). Being examined are the areas receiving the most resources, a comparison between authorized and actual expenditures, the position of the Department of Planning in analysis of budget requests, disbursement of funds, record keeping, financial accounting, monitoring, follow-up, and evaluation of development expenditures. The study is being conducted by the Kordofan planning advisor with assistance in surveying the documentation and sampling of financial records provided by several members of the department's staff. The study will be provided as an appendix to the final project report to be produced in October.

The region's research activity for surveying natural resources and providing a data base for regional planning purposes has moved closer to finalization. The Minister of Agriculture has appointed a competent manager, Abu Diek (formerly Director of Soil Conservation) to head the effort. A proposal is currently under preparation which will explicitly identify the research program and resources necessary to carry out the work. It is expected that the proposal will be completed and reviewed at the regional level during the month of July, and then forwarded to the DLRD for review and authorization of funding.

PROPOSED ACTIVITIES

Introduction. With two years of project sponsored activities already completed, it is necessary to evaluate what has

been accomplished and what remains undone toward establishing the basis for a planned approach to regional development in Kordofan. The past year has been an extremely productive time in getting the Department of Planning established, staffed, and operating. Model projects have given the department, as well as executing units of the other ministries, valuable experience in all aspects of project planning and implementation. Research and information needs have been stated and a program for collection, analysis, and dissemination has begun to emerge. Linkages with other ministries, institutions, and levels of government have been established laying the basis initially for cooperation and coordination, and perhaps in the future integration of activities and objectives. Finally, a great deal of training has been conducted at many levels, in a variety of subjects to develop manpower of a professional as well as supportive variety.

Beyond strengthening the institutions, personnel, and mechanisms necessary for influencing the development of the region, the effect of planned change is already evident. Questions are being raised by Sudanese themselves about the way decisions are made and resources are allocated. Concern is being voiced over the recurrent cost burden placed on the government in meeting the growing demand for basic services. People are taking the lead in providing health, water, and educational services where the government has been unable or unwilling to provide assistance. And the regional government has taken a more active and informed interest in directing the investment resources offered by the private sector and the international organizations and aid donors. Gradually, investments in the growth and change of Kordofan are being considered more systematically and critically in light of the problems and opportunities which characterize the region.

Still, the work of the Department of Planning remains largely at the periphery of an ingrained process of political decision making. The department is limited to the allocation of resources earmarked for development - a mere 10 percent of the total annual expenditures of the regional government. The influence of the department's work on the allocation of even this small amount is limited at best. Change will come only gradually from a deliberate, long term program aimed at affecting attitudes, building new alliances, and clearly demonstrating the benefits of allocating resources in a different way.

The suggestions made below specify an agenda which is designed to continue the process of inculcating the planned development approach as a basis for public decision making. Several features are noteworthy:

- The pace of activities for sponsorship under the Regional Finance and Planning Project is stepped up in line with the somewhat improved capacity on the part of the region to participate and benefit from these components.
- The scope of activities is enlarged to include sub-regional units of government where in fact most emphasis in terms of training and other forms of assistance should be placed.
- The financial resources proposed for channeling through the Regional Finance and Planning Project are increased with a matching fund requirement on the part of the regional government aimed at getting more development resources into carefully designed and analysed projects.
- The breadth of project support is expanded to include more emphasis on the implementing/operating units of the regional ministries with whom the Department of Planning must work if technical expertise and specialized knowledge, facilities and equipment are to be incorporated into the development planning process.
- The nature of activities which are to be supported by the Regional Finance and Planning Project are expanded to include such basics as English language training, technical writing, and management and administrative skills training.

With the program suggested below adopted and implemented, it can still be argued that the general policy conundrum surrounding decentralization, the ambiguities in relevant legislation, and general lack of resources will negate any benefits that might accrue from regional and subregional support. This may be so. However without regional and subregional support even a flash of genius at the national level will be doomed to irrelevance. While we wait for the broader issues to be resolved the following program of regional finance and planning support can prepare this region for the day when problems of governance in general and decentralization in particular are sorted out.

Training.

1. Basic Skills Short Courses:

a. English Language Course for Intermediate and Post Intermediate Levels. A series of courses should be sponsored using the American Center's English Language Program for professional and supporting staff of all the regional ministries. The objective of the courses should be twofold: 1) to improve English language capability in reading, speaking, and listening comprehension for those people who may have the need to use English in their work, and 2) to enable government officers to qualify for and to gain the most out of training courses conducted in English outside of the region and overseas.

b. Technical Report Writing and Production. In general, the capability to communicate in writing in both English and Arabic is very poor. Training and practice under the guidance of qualified instructors is badly needed. Workshops with scheduled follow-up sessions should be conducted for regional and district level level officers, who will be engaged in project develop-

ment, analysis, management, and evaluation.

2. Project Planning Short Courses:

a. Project Cycle Series. A series of training programs should be conducted that introduce and then provide guided instruction in methods and techniques of project design, analysis, management, and evaluation. This program should be offered to officers in the regional ministries other than Finance and Economy, who will be engaged in these activities in the capacity of experts in their respective fields as well as District Officers who will be working in the proposed district planning units.

b. Project Monitoring and Evaluation. A course which introduces planning officers in the Ministry of Finance and those expected to operate at the district council level as part of the proposed district planning units to types of evaluations, their design and administration should be organized. As this area will be the primary function of these individuals, it is necessary to provide training if projects are to be modified to reflect changed conditions or assumptions and lessons learned from project planning and implementation are to be incorporated into future thinking and development activities.

c. Management of Development Projects. Officers in the Department of Planning as well as department directors of the regional ministries (including especially regional affairs) must be exposed to simple techniques for work programming, scheduling, budgeting, procurement, book-keeping, and recordkeeping. As many individuals at various levels of government may be called upon to assume project management functions, a core group of government officers should be trained so that they can give guidance to others in the future.

3. Area Wide Planning:

a. Data Collection, Analysis, and Reporting of Planning Data and Information. A course for district level officers who are expected to staff the district planning units, which examines the type of data necessary for area wide planning and qualitative issues that enable meaningful analysis must be developed.

b. "Imagineering" the Future: Goal Formulation and Scenario Development. A seminar for senior regional officials first to assist them in articulating development objectives for the region and then to introduce them to techniques and methods for ensuring that current decisions help promote such a desired future.

c. Relevance of Spatial Analysis to Regional Development Planning. The fact that economic and social activities occur within a spatial framework crucial for their functioning is often overlooked from the perspective of national economic planning. From the regional perspective it is most appropriate and even necessary for such linkages to be considered whether it be at the level of the neighborhood or urban center - concepts of situs and structure, or at a regional scale where hierarchies of urban centers and their rural service areas or hinterlands become relevant parameters in planning for development. If the region is to move beyond planning what must be regarded as only the building blocks, namely projects, then a theoretical base along with methods and techniques for their application to multiproject or an area wide planning context must be incorporated into planning and decision making. This course should be geared to district level and regional officers engaged in planning work.

d. Introduction to Planning for Department Directors and Director Generals: Seminar. To acquaint senior

officers with planning thought and practice to prepare them to organize and work with planning units in their ministries, an introductory seminar should be offered.

It was possible to satisfy some training needs over the past two years by plugging people into courses offered by one of several Sudanese institutions. This approach may no longer be possible as it is costly and provides training of an overly general nature. It is suggested that special courses be designed in conjunction with some of these same institutions and given in el Obeid. Only in this way can specialized training needs be met in a cost effective way and also there will be less disruption of ongoing work in the region. The question of inadequate physical facilities for conducting in-region training should be put off until linkages are established and procedures agreed to on matters of course design, administration and execution, finance, and logistics between the regional government and cooperating institutions in Khartoum. Temporary facilities should be used (i.e. schools during holidays) while plans are drawn up and financing secured for a training facility in Kordofan. To discuss the facility before working out the manner in which programming of training will be done is clearly to put the "cart before the horse." Strengthening grants to institutions like the DSRC and advanced programming giving adequate lead time for development of courses and scheduling of instructors may be the best way to ensure their cooperation in providing the type of in-region training being recommended.

TRAINING PROGRAM SUMMARY

Course	Target Group				
	Dept. of Planning Officers	Other Regional Ministry Officers	Dept. Directors & D.G.s	District Planning Officers	Support Staff
1a.	x	x			x
1b.	x	x		x	
2a.		x		x	
2b.	x			x	
2c.	x		x		
3a.				x	
3b.	x		x		
3c.	x	x		x	
3d.			x		

Model Development Projects. The model projects fund provided by the Regional Finance and Planning Project offers virtually the only substantial pool of money available to the region for financing carefully designed and analysed development projects. The majority of the region's own development budget, while allocated for useful purposes, is totally unrelated to any process which allows for systematic identification of problems, consideration of alternatives, solution design, planned implementation, monitoring and evaluation, not to mention any notion of a desired possible future for Kordofan. For this reason it is essential that funds continue to be available for encouraging a planned approach to regional development lest it become an academic and entirely irrelevant exercise.

Beyond this, it is important to encourage a progressive yet gradual shift of funds contained in the region's develop-

ment budget into an allocation process based upon planning principles and techniques falling somewhere between extremes on a conceptual planning continuum represented on one end by disjointed incrementalism or "muddling through" and on the other by the rational comprehensive ideal. A matching requirement is proposed as an integral part of the continuation of the model projects fund with two groups of projects suggested.

1. Medium Scale Projects. Projects such as the Kheiran Agricultural Projects or the recently proposed Intermediate Technology Project for Nuhud District would qualify for consideration under this category. Projects would have to demonstrate economic and financial viability along with addressing social, cultural, technological, and environmental concerns. Emphasis would continue to be placed upon activities that have a clear relationship to increased productivity and production. The activities should be those that would not be attempted by the private sector in the absence of government support or if undertaken by the private sector would fail to consider some important public objectives such as income redistribution, environmental preservation or other positive or negative externalities. A matching requirement from regional sources of 25 percent should be required, part of which could be satisfied by providing manpower or government facilities or services.

It is proposed that funds be made available to finance two projects under this portion of the fund between July 1984 and June 1985. A cash contribution of LS 200,000 should be expected for each project for a total commitment of LS 400,000 from the Regional Finance and Planning Project. The regional contribution would be LS 100,000 from the development budget over the same period.

Ideas for projects should be solicited from the regional ministries and district councils, or better yet, the proposals already received by the Department of Planning could be reviewed for possible candidates. The Ministerial Planning Committee* should be asked to review a subset of these proposals and select perhaps as many as eight but no less than four as final candidates, each of which would become the subject of an in-depth investigation leading to a formal proposal backed by a feasibility study. The cost of conducting such studies would be defrayed by funds from the Regional Finance and Planning Project.

After analysis of the studies by the Planning Department the Ministers' Council would reconvene and in light of the Department's analysis and recommendations assign priorities to the proposals as well as clearly commit the required 25 percent regional contribution. The DLRD, with assistance from the PPU, would evaluate the requests and with the region's priorities in mind, approve, or approve with conditions, two projects for funding.

2. Mini-Project fund. In addition to the fund for larger projects, a smaller fund should be established for financing projects of a local nature which have a self help contribution from expected beneficiaries. These projects would be identified and designed at the district level with assistance from the proposed district planning officers. Following analysis and evaluation at the regional level the districts would take full responsibility for project implementation and management. Monitoring would be conducted by the district planning officers with evaluation

* The Ministerial Planning Council set up over two years ago has yet to meet. This is not surprising as the daily crises and problems facing the regional government make it easy to put off the establishment of formal planning institutions and machinery. Having the council meet to consider project priorities would give at least some immediate and pressing reason to do so.

done in combination with the regional level.

Project proposals would have to include the information provided in the Guidelines for Preparation of Projects, recently issued by the Department of Planning, Ministry of Finance and Economy.

Unlike the larger projects considered in 1 above, first priority would not be given to projects that directly increase local productivity and income. Instead, the following priorities would be used as part of the criteria for project selection and funding:

- First priority would be given to proposals that indirectly support increased local productivity and income such as storage facilities, feeder road improvement, bridges, water supplies, reforestation.
- Second priority would be given to social services and facilities to provide financing for construction, rehabilitation, and equipment.
- Third priority would go to help underwrite projects that directly increase local productivity and income such as cottage industry, agriculture, and livestock projects.

Additional criteria for project selection would include the following:

- Technical and other inputs should be capable of being sustained through local resources.
- Administration and organizational structure through which the project will be implemented and operated must be adequate for the task.
- There must be some community contribution in kind, labor or cash.
- Production projects must provide a reasonable surplus of revenue over cost (including maintenance and depreciation). Infrastructure or services projects must have a committed and realistic source of finance sufficient to cover operating expenses and maintenance.

- There must be a relationship between need or opportunity that must enter into the decision calculus as a criterion for deciding among alternate project proposals. This will require that the question of why invest here and not somewhere else - both within a district and between districts - be answered. Systematic consideration will have to be given to population, service area, location of similar facilities or services, and other ongoing or planned development projects in making project selection.

Proposals will be submitted by district planning officers to the Department of Planning where an interministerial technical review committee with a representative from each of the regional ministries appointed by the Director Generals will screen the proposals for their completeness and make recommendations based upon the criteria outlined above. These recommendations will be passed on to the Projection Selection Committee made up of the Director Generals of the above ministries which is already established to review requests for funding from the UNICEF Zonal Development Project's Small Project Fund.

Funding of LS 200,000 is suggested for the year beginning July 1984. The fund would be capitalized in two installments and would be kept in a separate account in a commercial bank in el Obeid. Proper accountability would be ensured by quarterly reports on projects approved, progress toward implementation, and disbursement details to the DLRD in Khartoum.

A matching requirement would also be set for use of the miniproject fund whereby the regional government would have to contribute 30 percent to the financing of all projects in cash, for a total regional contribution of LS 60,000 over the year.

Research. The region's resource inventory is proposed as the only research effort to be sponsored during the programming period. Given the great difficulty in getting the activity started because of scarcity in trained, motivated, and exper-

perienced people, it is suggested that a survey of manmade resources (infrastructure, housing, etc.) and of human resources in the region be contracted out in their entirety. A separate proposal and detailed budget for the natural resources survey is under preparation which will realistically assess the cost of doing this important investigation providing the basis for necessary organization and delegation of tasks to be undertaken.

A great deal of research is still needed into new or revived old solutions to some of the region's development problems, particularly water, agriculture, livestock management, and environmental degradation. The Western Sudan Agriculture Research Project should be encouraged to delve into these areas in its investigations, but a formal link is needed between government planners and decision makers on the one hand and the research scientists working in the region on the other. Unless this is done, the work of the researchers will be without guidance concerning government priorities and without channels whereby their findings can benefit people in the region. Similarly, government officials without the benefit of the scientists' ideas and advice will find themselves working in an intellectual void, without facts or empirical knowledge and lacking tested solutions to the region's problems.

Material and Equipment Support. First, to assist with formulation of district planning units, it will be necessary to provide some equipment to the individuals working at that level. At the very least, battery operated calculators and box files should be provided to facilitate their work.

Secondly, a survey has been conducted of vehicles currently owned by the regional government but that are not running for lack of money to purchase spare parts. It has been estimated, for example, that LS 72,000 would be required to rehabilitate 26 such vehicles, a sum less than the cost of purchasing three

new vehicles capable of operating in the rural areas. As there are already over 10 new vehicles proposed for purchase from fiscal year 84-85 Development Budget, which may consume in excess of LS 400,000 of valuable development resources, considerable savings can be realized and funds spent instead on providing the region's contribution to the model project funds discussed above. It is proposed that conditional upon the regional government coming up with a satisfactory plan for allocating rehabilitated vehicles and providing for their running and maintenance costs, the Regional Finance and Planning Project would contribute toward the cost of repairing these old but servicable vehicles.

AGREEMENT ON FUTURE ACTIVITIES

Proposed Work Program July 1, 1984 through June 30, 1985.

The program was discussed in Khartoum by Drs. Eighmy, Osman, Edens, and Mr. Toder. Even though no official submission had then been made through the regional government directly to Dr. Osman, it was decided that broad agreement on the basic direction of the program could be reached, assuming the concurrence of the Kordofan planning director, Saeed Abu Kambal, who was not present. The following was discussed and agreed upon.

Emphasis on defining the role and function of the newly proposed district development officers, providing necessary training, as well as limited material and equipment support was endorsed. It was agreed that a training needs assessment survey would be administered at once to assess the backgrounds and talents of the twenty individuals being nominated for this position. The survey to be used is contained in the draft version of the joint USAID, World Bank, UN document, Assessing the Training Needs of Local Authorities: A How to Manual. Once translated into Arabic it will be administered by Mr. Toder

and analysed with the help of Dr. Edens. The findings of the survey will better enable us to specify the training needs of the district planning officers, to identify courses being offered by various training institutes in Khartoum, and where these are not appropriate, to work with such institutes in developing courses specific to the training needs of the region.

To begin the process of carefully considering the role and function of district level planning officers, and how they will relate to planners at the regional level in the different ministries, a workshop will be conducted beginning on July 7th in el Obeid. John Wheeler, DAI consultant on project planning, will participate, along with John Zinns (UNICEF) and Miles Toder. It is suggested that the following regional representatives attend the workshop: Kambal, Hamdouk, and Ismael from the Department of Planning, Zein Al Abdin from the Department of Local Government, Abu Diek from the Ministry of Agriculture, el Hadi from education, and Dr. Taha from Health. The workshop has been conceived as an informal program in which the role of the districts in project planning can be discussed, argued, and agreement reached on specific assignment of tasks relative to the different stages of the project cycle. A draft of Mr. Wheeler's manual on project planning will be available prior to the workshop for interested people to read. It provides background material upon which the discussion of a system for project planning in Kordofan might be based. The workshop will be held on the 7th and 8th of July at the UNICEF office with the 9th open for any additional discussion and finalization of the recommended project planning system.

Dr. Edens will begin the process of contacting the several training institutes in Khartoum and discussing with them their participation in the training of district level planning officers. Both the training needs assessment discussed above

and the workshop on project planning in Kordofan will contribute a great deal to the design of training programs to be conducted for these people. They will ensure that the programs meet the needs and are conducted at a level appropriate for district officers as well as preparing them to work within the project planning process desired and agreed upon by the region. Appropriateness and relevance should be assured. Because of the lead time needed to work with the institutes in Khartoum, it is not expected that this type of formal training can be conducted until December.

Other types of training suggested in the work program were very briefly discussed. With regard to training in technical report writing, Dr. Osman mentioned that there is an institute in Khartoum which teaches how to write in English at a professional level. The possibility of contracting with this institute to do short courses for both English and Arabic writing will be explored by Dr. Edens as the principles of technical report writing would be the same regardless of the language being used. Clearly, getting some of the other courses done that were recommended by Mr. Toder will be difficult but an effort will be made in the remaining few months of expatriate technical assistance to explore all available possibilities using locally available (in country) resources.

The majority of the budget request for the next fiscal year rests in the area of model projects. The system suggested for administering a small projects fund at the regional level is similar to that being proposed and agreed upon for Bahr Al Gazal Region. (See Appendix VI) It is argued that LS 200 000, or twice that requested and approved for Bahr Al Gazal, should be authorized, given the larger capacity of Kordofan Region in the area of project planning and administration. Also, an additional LS 400,000 for medium sized

projects was proposed along with a system for proposal design, analysis, and review at the regional level. The idea of a matching requirement on the part of the regional government for both the small project fund as well as larger development projects was endorsed as a desirable condition for receipt of funds from the Regional Finance and Planning Project. Since authority for project selection will be vested with the region for the small projects fund, there was no need to consider explicitly the two pending proposals for Jikra Villages Water Yard and Kajarat Primary School, as these will be considered by the small projects committee set up in el Obeid. It was felt that before additional funds are released to the region, an audit be conducted to examine the sufficiency of bookkeeping, records, and accounting procedures being used for disbursement of project funds. Dr. Osman will order the review to see if any additional requirements or changes should be made in handling project funds in the future. As the majority of funds will be used for development projects, special attention will be given to auditing the accounts of the Kheiran Project, the only significant project activity currently underway.

The sad history of attempts to get the resources survey underway was also discussed. It was decided to wait a month for the region to get its proposal along with a detailed budget submitted to Khartoum. If there is still no proposal forthcoming, it was agreed that the entire task should be contracted out.

Until the work program is officially submitted through appropriate government channels to Dr. Osman, there can be no approval, not to mention transfer of funds to the region. It was suggested that the program be forwarded by the Director of Planning as soon as possible.

Intermediate Technology Project (Animal Traction for El Nahud). Drs. Eighmy and Edens both have copies of this

proposal. As with the entire program proposed for next year, this proposal also must be submitted to Dr. Osman through government channels from the regional government. Dr. Edens is prepared to provide analysis of the proposal if requested by the DLRD. Clearly, an accounting of all funds used to date on the Kheiran Project as requested by the DLRD will facilitate release of the money being requested for this new project. The fact that the project itself was started by the regional government using its own resources, should indicate the seriousness and commitment to the project at the regional level.

Equipment and Material Support. After the report was written concerning the computer possibilities in Equatoria Region where a computer is sitting unused for lack of software and trained operators, it was decided by Dr. Eighmy to go ahead and purchase three identical computers in the United States, one for each for Kordofan, Equatoria, and the DLRD in Khartoum. As Mr. Toder will be in the US on leave in July, Dr. Eighmy requested that he stop in Washington, and together with DAI, investigate, select, purchase, and ship three complete systems. Discussions will be held with the University of Khartoum faculty and other computer users concerning the machines, the software currently in use there, as well as the type of applications and experience with them. This will be used as a basis for deciding upon the appropriate software, computer hardware, and supporting equipment necessary. Discussions concerning training and support will also be begun in July with follow-up and programming in late August.

Contracting Capability at the Regional Level. There was some discussion on the apparent weakness on the part of the regions in contracting of work for development projects, research, and other services. As this will continue to be an

obstacle to development planning, it may be desirable to provide technical assistance and training in this area. The possibility of using the country organizations to provide such assistance will be explored by Drs. Osman and Edens.

Assistance to the Region from Other Sources. The Sudan Renewable Energy Project financed by USAID has recently sent a copy of their grants program along with the criteria for selection of projects which they will help finance. A copy of an approved project proposal for Um Inderaba, Kordofan Region, is an example of the type of projects that they are interested in and the information and analysis they require for funding. The procedure is not very demanding. The model is being given to Hamdouk to whom responsibility has been given for communicating information about the program to the region and following-up on proposals received for funding.

While many issues are not settled concerning the future of the Regional Finance and Planning Project, two things appear certain. One is that the technical assistance portion of the project will end on 7 October at which time DAI advisors will leave. The other is that local currency will continue to be available through 1985. As decisions concerning how that money will be used and distributed have to be made now, it is suggested that the region get its proposals submitted to Khartoum immediately so that resources can be allocated and new activities started without losing the momentum we have gained and the funds necessary for continuing to build up the capacity and a system for development planning at the subnational level.

Miles Toder
Kordofan Advisor

EQUATORIA REGION
QUARTERLY REPORT
APRIL - JUNE 1984

The second quarter of 1984 saw significant progress in the area of training but continued setbacks in the research for the model project. The advisor was absent from Juba for half of the time period, spending time in Khartoum and on leave out of the country. In his absence, work on the Development Budget, which had been the most important task in April and May, ceased because of a central government decision to delay the new fiscal year until September. In the interim (July - August), bridging funds were to be provided to the regions for their recurrent and development expenditures. It had been expected that the project proposals presented by the ministries and area councils would yield several candidates for consideration for SRFPP funds. Unfortunately, by the end of the quarter the regional projects were in limbo and no complete proposals were submitted by the area councils. It is now doubtful whether any projects will be organized in time to receive funding before the termination of the SRFPP in early October.

TRAINING

Of the two counterparts nominated for master's degrees in the United States, only one has been admitted so far. The second has taken the TOEFL examination twice, and failed both times with the same score, substantially below the minimum acceptable by AID. He has also taken the ALIGU test and

performed unsatisfactorily in that as well. It has been decided that this candidate will not qualify for admission to an American University during the remaining months of the project and he has applied to the graduate school of the University of Khartoum. Since the medium of instruction there is Arabic, the language in which he acquired his bachelor's degree, his chances of being accepted and completing the program successfully are much greater.

The A/Inspector of Planning enrolled at the Development Studies and Research Center has returned to Juba for the last portion of his curriculum, which requires a thesis to be written on a relevant topic in Equatoria. He will complete the course in September. Meanwhile, another A/Inspector of Planning has been nominated for the diploma course commencing in the next academic year. In addition, a planner from the Ministry of Agriculture has been nominated for a two year master's program. If accepted, both candidates will travel to Khartoum in late September.

A response has finally been received from the Eastern Africa Statistical Training Center in Dar Es Salaam concerning the nomination of five staff members of the Directorate of Planning to attend courses there. The cost is \$5,650 per student per year, all inclusive. The course is scheduled to begin on July 2. At this time it has not been decided whether the necessary funds will be provided, although this activity is in the current work plan.

Project funds assisted two short courses held in this quarter. The first, Training Session Number Two for Budget and Finance Officers, was sponsored by the Interregional Training Program. Eleven Area Council Officers spent two weeks learning about budget preparation, the development budget, local government accounting, council management, and council finances. Two inspectors from the Directorate

of Planning participated in this course by holding sessions on the development budget and external assistance. The second course, sponsored by the Ministry of Agriculture, was a specialist short course in land use and conservation extension. It lasted seven weeks and was attended by 18 regional and local agricultural officials, all Equatorians. Project funds were used to acquire teaching materials for this course. At present, the Regional Accountancy Training Center is conducting an induction course for bookkeepers and accountants with project funds used to support the 27 attendees. This course is part of the regular program of the RATC and will last one year.

For several months, the IRTP and the RATC have been negotiating with project officials for long term support for their programs. Such support has been officially approved and both institutions have been requested to submit detailed proposals for the approved amounts.

The IRTP had submitted a request for LS 113,000 to support its scheduled training activities through 1985. The project will provide LS 60,000 initially with the possibility of additional funding when this sum is exhausted. The program for the remainder of 1984 and all of 1985 calls for four courses to be held for a total of 40 weeks and involving approximately 115 participants. Without SRFPP support it is doubtful that this program could be realized, since the IRTP relies on contributions from the three regional governments for the subsistence of the students.

The RATC was given a grant of LS 150,000 to cover rehabilitation of physical facilities, acquisition of physical facilities, acquisition of furniture and equipment, and operating expenses. In addition the SRFPP will continue to assist RATC training courses on a selective basis.

Efforts to secure a short term advisor for the proposed project management course have failed. Two persons were suggested by Development Alternatives in Washington, but by the time the credentials of both were reviewed (in sequence) each had been given other assignments. No progress was made on the course design in the advisor's absence although several meetings had been held prior to this. The Project Evaluation Unit in the Ministry of Agriculture is very much interested in such a course and suggested topics which would be of benefit to their attendees (possibly 15 of a total of 35). They suggested contacting a British professor with particular expertise in this area who might be available to assist in course design and lectures. This proposal was presented to project officials in Khartoum who subsequently disapproved it. Meanwhile, two lecturers in the Economics Department of the University of Juba were approached and agreed to assist in this effort.

A committee comprised of the advisor, two planners from the Ministry of Finance, a representative of the Project Evaluation Unit, and two from the RATC have held several meetings and progress is being made in securing nominations, defining the curriculum, and identifying lecturers. It is evident that there is wide support for the course, but the particular needs of the 10 or 12 bodies which would send participants, demands that the course must be designed with great care if it is to benefit a heterogeneous group. It is now hoped that the course will be ready to commence in mid-August.

Finally, a clerk from the Ministry of Finance was sent to Khartoum for two months to learn how to operate the new copy machine which has been purchased.

RESEARCH

The Project Preparation Guide has been passed in draft form to the chief of party but is lacking some final touches

to be provided by the Director General, Jino Gama. Meanwhile, a short term advisor spent two weeks in Juba learning about planning at the regional and local levels as part of his assignment to produce project planning guidelines, particularly for the area councils. He traveled to Yei in addition to talking to a considerable number of officials in Juba. It is expected that these guidelines will complement the work done by the Ministry, which does not include a section dealing with project planning in that detail.

The directorate library has been completed and staff members are drawing up a list of publications to be purchased. It is intended that a librarian should be employed on a temporary basis to organize the library to set up classification and check out systems.

The regional project evaluation tour which was started in March was completed in April. Sadly, the dismal situation reported after the last tour two years ago was repeated almost verbatim. Lack of cash, poor management, lack of materials, and fiscal irresponsibility have resulted in a plethora of unfinished projects all over the region. The need for advisory assistance at the local level is critical, especially if large scale external assistance becomes a reality as recently proposed. A proposal was made to AID requesting support for planning advisors in the provincial capitals of Yambio and Torit, to be posted at the Directorate of Planning offices in these villages. To date no response has been received on this proposal. A summary of the evaluation mission findings for Western Equatoria is contained in Appendix III.

MODEL PROJECT

No progress was made on the model project during this quarter. The field survey which was conducted unsatisfactorily

has not been redone. Fortunately, enough information had been collected to produce a base map and land use map of Juba District. However, the crop information obtained was inconsistent and incomplete. This effort had been directed by officials in the Ministry of Agriculture. With the demise of the Project Development Unit this ministry has been substantially reorganized. In addition, there is a new director of planning who it had been assumed would be available to help on the survey since he had just completed course work in this area. However, upon his return he was unexpectedly made director, and obviously was unavailable. It is possible that other personnel could be assigned to this project, but the ministry is presently considering a broader examination of irrigated agriculture along the Nile corridor which may preclude the initiation of new schemes in the short run. A decision on this should be made in July.

OTHER ACTIVITIES

This quarter is typically the busiest of the year in the ministry as proposals are received from ministries and area councils for the next development budget. Over 100 proposals were reviewed by the advisor and detailed comments made to assist the staff in making their reviews. The new proformas were used but obviously poorly understood by most of the respondents. Although the importance of recurrent costs was emphasized in the proforma, there was frequently no recognition of the impact of capital expenditures on the recurrent budget. A pleasant surprise was that most respondents ranked their proposals according to their own priority, although they did not attempt to justify the rankings. This was viewed as a step forward. However, virtually all of the project descriptions were inadequate. Little attempt was made to show how the proposed expenditures would resolve the problems identified.

Cost information was sketchy or absent. In short, much work needs to be done in training the personnel who are assigned to complete these proposals. In view of the chronic lack of development funds it is likely that this exercise is not taken very seriously; there is probably not much incentive for taking great pains to produce a credible project document. It was most disappointing that almost nothing was forthcoming from the area councils, especially since the evaluation tours had just been completed and involved much time spent in discussing project planning with local officials.

John Miller
Technical Advisor

APPENDIX I

Topic: Course follows the British Kernal Lessons Program for Intensive English: Intermediate Level, Longman Publishers.

4. Title: Administrative Development for Middle Level Officials

Participants: Inspector Level Officials

Duration: Two Weeks

Objectives: 1. Improve administrative performance by developing quantitative and behavioral skills

2. Provide awareness of management principles and techniques for people in management roles without any such training

Topics: Principles of Public Administration
Laws and Regulations of Public Service
Personnel Management
Regional Planning and Budgeting
Information Systems
Decision Making
Decentralization and Government Organization

5. Title: English Language for Graduates
Participants: University Graduates in Regional Ministries
Duration: Six Weeks

Objectives: Review of English language skills to improve abilities on the job and enable participants to qualify for training conducted in English

Topic: Program follows the American Kernal Lessons Intensive English Review Course: Intermediate Level, Longman Publishers

This course was done under the auspices of the American Center English Teaching Program

APPENDIX II

AN ASSESSMENT OF AREA COUNCIL PERFORMANCE

Research/Studies Paper #4

Project Title: Sudan Regional Finance and Planning Project

Project Number: 650-0012

AN ASSESSMENT OF AREA COUNCIL PERFORMANCE

This paper will provide an assessment of the performance of Area Councils with a particular focus upon their development activities. Major problems, constraints and opportunities will be identified and conclusions drawn concerning the possible use, role and form of written guidance that may be produced under the Finance and Planning Project.

The information and evidence upon which this paper is based was collected on visits to three Regions, Bahr Al Ghazal, Equatoria and Kordofan, during which meetings were held with officials of six Area Councils, five Rural and Town Councils and with Regional Ministry staff. Whether all the findings and conclusions reached from this small sample can be generalized to the country as a whole cannot be determined by the author. However, discussions with regional and national officials indicate that the problems facing these particular councils reflect those of local government throughout Sudan. As three Area Councils visited are in the 'South' and three in the 'North', then some quite significant differences between the two parts of the country will be accounted for. Two memoranda have been distributed that provide the background information on these Area Councils upon which this paper is drawn; copies can be obtained from the chief of party, Regional Finance and Planning Project.

One word on the terminology used in this paper; in Kordofan Region the terms Area Council and District Council are both in common use. In this paper the term Area Council is used throughout.

ASPECTS OF PERFORMANCE

Roles, Functions and Relationship with the Region

The People's Local Government Act, 1981, established Area Councils as autonomous, corporate bodies. The Schedule to the Act defines the functions and responsibilities of these councils.

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The Act also provides powers to the councils to set up and delegate responsibilities to "people's local councils on the level of towns, rural areas, quarters, villages" and so on. Six months prior to the enactment of the Local Government Act the Regional Government Act, 1980 was promulgated, initially excluding the then Southern Region but later extended to the south resulting in the establishment of three further regions. Unfortunately the two Acts do not interrelate well and have given rise to confusion, uncertainty and potential for overlap between the two levels of government. For example the Schedule of the Regional Act setting out the functions of a Region is almost identical to the Schedule included in the Local Government Act relating to Area Councils.

As a result of this overlap there does not exist a clear division of roles and responsibilities. In particular this confusion extends to development activities. For certain sectors there is a reasonably clear division on paper, for example primary education and primary health care are recognized as the responsibilities of the Area Councils. However, in practice in Equatoria Region construction of basic health units is still carried out by the Region, although the staffing and servicing of such facilities is left to the Council. Confusion is compounded by a paucity of consultation over the location of proposed new facilities. In the productive sectors the confusion appears even greater;

- in the south both levels of government have overlapping responsibilities for agriculture, livestock and forestry. Although Area Councils pay the technical staff posted within their area and have nominal responsibility for the sectors all activities are still controlled by the Region.
- in Kordofan field staff are still responsible to the Region and yet the Councils have committees for the productive sectors which are advised by regional staff. Such committees presumably reach decisions which cannot be binding upon the authority responsible for the sector, namely the region.

A lack of finance, expertise and construction units severely limits the capacity of Area Councils to undertake development initiatives in any sector. This has brought about a reliance on the Region to 'get things done' whether or not the Area Council has functional responsibility; an attitude that reinforces the confusions and distortions over who should do what.

There is considerable variation in the powers and functions that have been delegated to rural and town councils. In Bahr Al Ghazal the only major function to be handed over to rural councils is that for feeder roads, although less formally these councils participate in education and health, mainly in the organization of self-help efforts (which with the present security situation have faded to nothing). In Equatoria the rural councils are more fully responsible for primary education and health, having the appropriate staff on their establishment. In Kordofan the situation is uneven. In the case of Dilling Area Council it would appear that full responsibility for primary education and health has been passed over whereas in Bara very little has been delegated to the rural councils. It is reported that in some instances the rural councils are perceived as being more important than the area council, having more staff and operating a full range of services. From a technical, rather than political or participatory viewpoint a high level of duplication is evident between the two levels of local government.

The relationship between the Region and local councils also varies. In Equatoria, where the structure, if not the present form, of regional government has been in existence the longest the level of technical support offered to area councils has been most developed. Area councils are invited to participate in the preparation of the annual development budget, planning staff have been posted to the provincial level in an attempt to make expertise available and the training institutions based in Juba have benefitted most those councils located within the region. The

other two regions, more recently established, have not been in a position to provide support to local councils as priority has been given to building up the regions' own planning capacity. The apparent dependency of all area councils upon their regional government is a factor that will feature throughout this paper and will not be elaborated upon at this stage.

Management

The Chief Executive Officer (Bahr Al Ghazal and Equatoria) or the First Executive Officer (Kordofan) is both the secretary to the Council and the head of the local civil service. The position should be filled by a graduate with a post-graduate diploma in Public Administration. In practice many do not possess these qualifications. In the southern region some 50 percent are not graduates and have had no formal training in administration. Working to the Executive Officer is an administrative cadre which includes an Accounts department. Senior staff of this cadre are seconded from the Regional Ministry of Regional Affairs. Technical departments are headed by technical officers responsible in the first instance to the Executive Officer but who have strong links with the appropriate technical Regional Ministry. The qualifications of technical heads are varied but only a minority are graduates.

Policy is decided by either the full Council, the Delegated Committees or by a Council Committee responsible for individual sectors. At present there are no elected Councils in Equatoria or Bahr Al Ghazal (?) and in these cases the council administration is wholly responsible for all decisions. The number of Committees varies between councils. All councils spoken to have a Finance and Development committee responsible for drawing up the councils annual budget. Each 'technical' committee is advised by a technical officer who is an ex-officio member of the committee, this technical advisor is the senior officer in the location and may not be a member of the council's staff.



For example the Health committee may well be advised by the senior doctor of the local hospital which is run by the Regional Ministry, or, in the case of Kordofan the Agricultural committee will be advised by the senior agriculture field officer of the Regional Ministry of Agriculture. Where elected councils exist there were strong complaints made by administrative and technical staff of excessive interference in the day-to-day running of departments by these elected representatives.

The impression gained through interviews with senior council staff is that management is very weak. There is a poorly defined administrative structure, lines of authority and responsibility are not well articulated and there is little, if any, coordination between departments. Financial management is critically weak, leading to abuse, misallocation of funds; gross overspending on certain items and the illegal movement of funds from one budget to another. The dire financial straits of the councils distracts attention from all other matters and results in a management style that can only be described as one of crisis management, attempting to satisfy constant demands with very limited resources. The financial standing of councils is considered in the next section.

In Equatoria an attempt has been made to introduce better financial management and control through the posting of Budget and Finance Officers to each area council. These are young graduates of Juba University who were given a special degree course in public finance and administration. Although only posted late in 1983 they appear to have had a significant impact in that records of expenditure and revenue are now kept up-to-date and there is some hope that this year's budget submissions will be more realistic than in the past. However, these officers are junior and feel frustrated by the fact that they can do little to stem the financial mismanagement of senior staff. Nevertheless they represent the first attempt to introduce

financial management and planning to the councils, and if they were provided support, would have considerable potential for bringing some semblance of order to the present chaos. Unfortunately the original intention of training enough officers to provide for all councils in the south has had to be abandoned, a result of a lack of funds. If a further programme of support and training were ever to be introduced then certainly the success of this cadre should be evaluated and the possibility examined of expanding the concept nation-wide.

Overall it is contended that the lack of management structures and use of management tools is likely to be a very major constraint upon council capacities. If councils were ever to obtain access to development funds then the current absence of any planning capability will quickly become apparent. The existing structure of council administration is not well designed to undertake collaborative development efforts; it being a series of separate functional officers all of whom report only to the Executive Officer. This factor coupled with the past inability of functional departments to operate will critically weaken future performance. The lack of management all too often has resulted in a lack of direction and purpose which in turn is compounded by the scarcity of financial resources.

Financial Standing

Throughout this paper the constraints imposed by the poor financial standing of councils stands out as a major issue. Accurate figures of real income and expenditures are difficult to come by. Only in two instances were such figures available in any form. The following table provides an estimate based on available data of the possible real total income for five area councils. It must be stressed that the figures are based upon 'educated guesswork' where actual figures were not available.

Table 1: Estimated Actual Income of Area Councils 1983/84
(All figures in LS millions)

Area Council	Local Rev.	Reg. Grant	Other	Total
Kordofan				
Bara	0.4	1.0	0.6	2.0
Dilling	1.0	1.1	0.2	2.3
Umm Rawaba	1.9	0.9	0.16	2.96
Equatoria				
Central	0.2	0.36	-	0.56
Yei	0.5	0.3	-	0.8

Notes:

1. Local revenue based, where available, on collection to date for 83/84 and on actual for 82/83. Bara and Yei no information so 50% estimated taken as figure.
2. Regional Grant based on amounts received up to end April and totals for 82/83 where available.
3. Other income in Kordofan is the 'self-help' funds raised by the council. No comparable funds raised in Equatoria and no information available on value of any villege level self-help efforts.

The disparity in financial resources available to councils in Kordofan and Equatoria is notable. However, the budget submissions of all councils for 83/84 show a large deficit of estimated total income over estimated expenditures. It would appear that all councils overestimate their expected expenditures as a bargaining ploy in the hope of receiving a larger regional grant. On the other hand in most instances there is an equal overestimation of the local revenue that will be collected. The one exception to this appears to be Umm Rawaba. The reasoning behind such poor estimation is difficult to understand, and in fact no satisfactory explanation was forthcoming from any council. All the officers spoken to recognized that their council would be unable to collect anywhere near the official estimates of local revenue, yet the practice continues and will

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be repeated in the submissions for 84/85. In the (then) Southern Region model budgets were prepared for 81/82 and accepted by all parties, however, the funds allocated in that year could not even match this lower commitment and from then on councils reverted to wild overestimation.

Revenue and grant-in-aid are expended almost entirely upon wages and salaries and allowances. Again actual expenditures as against estimates are hard to obtain but it is evident that some councils are unable to meet their total wages and salaries bill. The worst example encountered was Central Area Council in Equatoria where the total requirement is LS780,000 per annum but a shortfall of some LS260,000 is expected. Even today a significant number of employees had gone six months without pay. The situation is not much brighter elsewhere. Umm Rawaba Council is the 'richest' council encountered with a total income of about LS 3 million per annum, yet its expenditure on wages and salaries alone totals LS2.7 million each year having a total of just over 3,000 employees.

Apart from wages and salaries expenditures are also made on what are conceived as essential recurrent items. These will include fuel and vehicle maintenance and, reportedly, hospitality. No figures were obtained on vehicle ownership but in Kordofan each council apparently has a considerable fleet of vehicles and their running is a major expenditure. In the south vehicle ownership is not as widespread but still accountants admitted to significant overspending in these budget items; expenditures that reduce further funds available for wages. No funds are available to any council for expenditures under Chapter III (Development) budgets nor have been available in the past. In Equatoria the last known allocation to the (then) Rural Councils was made in 1975/76.

Local revenue collection is clearly inadequate to meet financial demands and at best represents 50 percent of total actual expenditure and a far lower figure of estimated required expenditure. The situation is particularly deperate in the south.

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In Bahr Al Ghazal it was reported that no local revenue collection was made this year in the rural areas, a reflection of the security situation and a lack of means of collection. In Equatoria the situation is better but again only a small portion of the potential is collected. Figures for this Region show that estimated local revenues made up less than 20 percent of the total estimated expenditure for the financial year 1980/81. There are no indications that the situation has improved in more recent years. In Kordofan, where the local revenue base is wider (Animal Head Tax, Ushur, Gibana and licenses) than in the south (Social Service Tax and local fees), collection is still reportedly hampered by a lack of staff, vehicles and fuel and up-to-date information, for example animal census.

The end-state of this situation is one wherein, at best, councils are unable to meet their statutory obligations, can barely pay their staff, have no finance available to maintain services and are unable to provide for any development activities from their regular budgets. Against this staff establishments appear to be bloated beyond reason and often rendered useless through lack of resources. The question that must be asked is "what do all these people do if there are no funds for school books, drugs and other supplies?", the answer that comes to mind is, for many, "very little other than collect their wages," if indeed there are wages to be had. Four of the councils have a total staff establishment of over one thousand, one nearly two thousand and one of three thousand.

There would seem to be little reason to speculate that the financial position of councils is likely to improve in the foreseeable future. The introduction of Zakat taxation later this year may result in the loss of all local revenues to councils and perhaps result in their being entirely dependent upon regional grants. There is little prospect of funding being available for adequate operating expenses. This, in turn, has significant implications for any attempts to make development

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funds available through channels other than the government budget. A much closer examination of area council finances is needed before any detailed understanding can be gained but the impression gained from these brief visits was that of large bureaucracies unable to provide or maintain the services that are expected from them. The purported desire to bring 'power to the people' is proving to be a cruel illusion.

Development Activities

As might be expected from the comments in the foregoing sections the level of development activity being undertaken by area councils is very low. In Kordofan the levying of local taxes upon sugar and wheat flour provides locally controlled finance for development initiatives. The sums of money involved are not very high, typically about LS 150,000 a year, although Bara Council reported almost LS 500,000 collected this year. Further self-help funds are collected by the rural and town councils. The funds collected are expended upon locally decided priorities, usually social service infrastructure and potable water. In the south there is no comparable levy and any self-help activities are carried on at the initiative of villages and local communities and the councils are not in a position to offer support.

Some development activities do take place within the geographic area of councils funded and implemented by the Region or outside donors. However, there is seldom any consultation with the area council concerned about these developments and certainly the local body has no part in the decision whether or not to go ahead with a certain project. However, opportunities are emerging that will give area councils access to development funds. In Kordofan both the EEC and UNICEF have introduced 'Small Project Funds' intended for use by area councils. In Bahr Al Ghazal the Regional Finance and Planning Project (USAID) is setting up a 'self-help' fund that although controlled by the

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region is intended for area council projects. In Equatoria the Norwegian Church has a large development project within one area council and which is implemented in close cooperation with the local councils. USAID is discussing the possibility of establishing a nation-wide fund upon which area councils will be able to draw. It is not unreasonable to predict that as frustration grows with the inability of regional governments to fulfill development programmes that more donors will consider whether area councils are a more effective vehicle for mounting development efforts.

However, the indications are that area councils have only a very limited capacity to undertake development both in terms of planning and implementation. The major constraints acting on councils include:

- a lack of a planning system that would enable councils to identify priorities and a lack of information upon which to base rational decisions.
- a lack of planning and technical expertise that would allow the preparation of realistic project proposals likely to satisfy an outside agency.
- a general lack of experience of managing development projects.
- an inability to provide for inevitable recurrent funding demands resulting from development.
- little or no facilities to physically undertake development, area councils possess no, or very small, works departments.
- all the above mentioned constraints will be even more critical if it is intended to introduce productive projects rather than those of social service infrastructure.

- a lack of financial control, and possibly responsibilities, with the danger of mismanagement and misuse of funds.

Such a list of constraints may be a pessimistic assessment of area council capacities but these bodies are not in a position to take over any extensive development efforts without considerable support and assistance. Expertise, organization and experience are critically short in all the councils visited. Historically area councils have had to rely upon regional expertise to design and implement any but the most basic construction projects, even where the local council is the source of funding.

Local council staff expressed their frustration at their inability to fulfill their development responsibilities and were able to identify their conceptions of priorities for development. Such perceptions reflected the different situation of each area council. In Kordofan high priority was given to potable water and the extension of social service provision with the provision of animal watering facilities as the only productive element mentioned more than once. The apparent exception to this was Bara council which wished to take up two productive projects initially identified by the region, namely salt production and an onion production project. In the south recognition was given to similar social projects but equally to road and transport development and productive projects. In the latter case, almost invariably, these were seen as projects that would provide income for the council, for example, vegetable gardens, fish production, the construction and leasing of shop units and so on. Discussions on these project ideas revealed a critical lack of technical or managerial expertise needed to make a success of such proposals.

A final point on the potential of area councils to undertake development concerns the competition for any funds that might be made available. Discussions with all regions revealed

an attitude that the region had a 'right' to funds in preference to area councils. The reasoning behind this outlook includes an assumed higher level of expertise and capacity to implement projects and a presumption of 'seniority' of the region over local interests. If such an attitude persists then area councils will only receive the 'left-overs' of development unless, through outside intervention, means can be found to by-pass the region, a move that the regions will strenuously resist.

The allocation of funds through a system of political bargaining is deeply entrenched at all levels of government and is one that mitigates directly against the concept of 'planning.' As long as the allocation, and often even the actual release of funds, depends upon the political strength of local leaders then little forward planning can be effective and any attempts to manage budgets and programmes will be frustrated. The system, such as it is, encourages ad hoc decision making. The chronic uncertainty over the availability of funds leads to the allocation of whatever money is available to the need that is deemed most critical at a particular moment in time. In such a situation there is very little incentive to undertake careful planning or project preparation as the effort involved is unlikely to be rewarded.

SUPPORT REQUIREMENTS OF AREA COUNCILS

The previous section has identified numerous problems and constraints facing area councils in the performance of their functions and obligations. Area councils are relatively recent institutions and some of the problems will be eased as experience is gained and confusions are sorted out. However, many constraints are repetitions of those facing government at all levels. Most notable are the ramifications of the present manner in which resources of all kinds are allocated to the various levels of government and geographic areas of the country. As long as such allocations result from the uncertainties of political bargaining

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then any base of management or planning that might be established will be undermined. Without a recognized 'rational' system that engenders some confidence in future allocations and releases any attempt to build the capacities of local governments will not achieve their potential to improve performances. Area councils do not operate in isolation but are part of a wider system that extends to the highest authority in the country.

With this critical caveat in mind it is possible to review those areas of support and training that would assist councils to upgrade their capacity and improve performance. Whilst the focus remains upon the development functions these cannot be isolated from more general considerations pertaining to all aspects of council activities. Nor should it be assumed that universal actions and solutions can be identified for all area councils in the country, rather the individual circumstances of different regions and councils must be recognized and accounted for. Briefly the major elements of support and assistance can be identified as being:

- A clearer definition of roles and responsibilities between the regional government, area councils and rural/town councils. Although the leadership of individual regions and councils may appreciate the de facto division of functions it is apparent that many officers do not. The relationship of technical departments at the various levels particularly requires clarification and formalizing.
- Further definition of the relationship between the area council, an autonomous body according to the 81 Act, and the region is needed. In practice the area council is almost entirely subservient to the region and has little power to make its own decisions or control its own affairs. This may be understandable given the parlous state of finance but it does also mean that an area council cannot control, for example, its staffing levels.

- In light of the outcome of the two elements mentioned above a suitable management structure should be designed, or at least a model structure that could be adapted to individual requirements introduced. Eventually such an initiative would include the definition of individual job responsibilities, lines of authority, the introduction of management tools and cross-sectoral integration. One outcome of this exercise would be a rationalization of the staff establishment of each council.
- An assessment of staffing requirements and training needs could then be made and long-term programmes of training and upgrading commenced.
- Financial management, control and record-keeping must be improved dramatically if the overall performance of councils is to be upgraded. Until financial mismanagement is curtailed it will negate any progress made in other areas of activity. This has been recognized and steps are in hand, in certain regions at least, to provide training in accountancy and basic book-keeping. Also included might be assistance to councils to improve their local revenue collection systems.
- A planning system that allows priorities to be set, programmes and projects to be identified and designed and managed needs to be created. To enable a system to operate there will need to be access to information and data and the means to move proposals from their point of origin through an approval, funding and implementation process. The system must be tied in with sources of funding, financial requirements and procedures and have links through to the region and other development institutions. One element within this system would be the provision of advice or guidelines on project proposal preparation and implementation. At present there is no officer within the council responsible for

planning or coordinating development activities. A small planning unit will need to be established and trained.

These elements, if put into practice over time, would provide much needed support that should enable local councils to undertake and manage their affairs more successfully. It is an ambitious programme and its chances of implementation are not good, unless a foreign donor can be interested in providing funds and probably technical assistance. Nor, as stated earlier, is it likely to be effective until national and regional resource allocations are systematized.

An alternative is to attempt to provide inputs and assistance in response to individual elements and requirements. This is being done for basic accountancy and book-keeping where local training courses are being introduced. In the south a more ambitious training programme in financial management has been undertaken over the last several years. The problem with this is the absence of a system within which those that have been trained can apply their skills on their return to post. In this situation skills are not put into practice and frustrations and dissatisfaction tend to grow. The second major drawback of a partial approach is the danger that the parts will not fit together to make a rational and workable whole. Nevertheless, with the likelihood of a comprehensive support and training programme remote, it can be argued that the only way progress can be made is taking the incremental approach.

The element of project proposal design and implementation has been identified as being one in which area councils would benefit from immediate assistance. The Regional Finance and Planning Project has committed to undertake the preparation and introduction of guidance on this topic. The remainder of this paper will consider the content and approach of such guidance and provide an outline of proposed content. It should be repeated, however, that such action will not, on its own

and without further support, significantly ameliorate the capability of area councils, and expectations must be tailored to this reality.

PROJECT PLANNING GUIDELINES

Purpose of Guidance

The major objective of this exercise is to provide assistance to those with responsibility for instigating and managing local development activities to better utilize the very limited funding likely to be available. In order to provide assistance on a national scale suitable written guidelines will be produced and distributed. It is unlikely that a national training programme will be mounted to introduce the written guidance and so the material distributed must be self-contained and self-explanatory. However, if the opportunity does arise to run training programmes, either in individual regions or nationally, then the guidelines would be available as a teaching resource.

Target Group

Technical and administrative officers of area councils and rural and town councils with development functions are the prime target group. A narrower focus cannot be defined, as at the local council level no officer or unit has been established with responsibility for planning and coordination. It is also hoped that the materials will reach and be useful to local councillors in their decision-making roles.

Although not primarily designed for use at the region, the guidelines should be made available to technical staff at this level, both for use in their own project preparation and to enable them to provide pertinent advice to the local level.

Overall Approach

The guidelines must be carefully designed to reflect the existing circumstances and capabilities of local councils. It

is suggested that the following considerations should dictate the content, style and conceptual level of the written material:

- The absence of established systems and procedures for project planning, approval and funding precludes the introduction of a 'manual' that links project preparation to accepted procedures. Further it is apparent that any systems that do evolve in the future are likely to vary from region to region. Thus the written material must take the form of 'guidelines of principle', something approaching a text-book, that is flexible enough to remain relevant in a variety of situations and changing circumstances. However, the guidelines must closely identify with the Sudanese environment and the day-to-day activities of its target group. Through the use of local examples and so on, general principles must be grafted to local circumstances to enable the target group to readily identify with its content.
- Many of the guideline recipients will, at best, have only very limited experience in initiating and managing development projects. Further some of them will have preconceptions that planning is unnecessary at the level at which they operate. Indeed to date there has been no incentive to plan and no reward for attempting to adequately prepare project proposals. The guidelines must take these factors into account and 'start from square one' and provide step by step actions and explanations of the project planning cycle.
- The capacity of local councils to undertake development activities is limited and is likely to remain so in the foreseeable future. The types of projects that will be implemented are comparatively simple ones of social service infrastructure, feeder roads and small scale production. Such projects will not require sophisticated

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appraisal techniques nor call for complex analytical methodologies.

- In the immediate future the only significant source of funding for development is likely to be that of outside donors and which may well be obtained outside regular government channels. Care must be taken not to distort the guidelines to satisfy individual donor requirements.
- At least some regions have introduced their own project proposal pro-forma for use when project proposals are submitted for inclusion in the annual budget. The guidelines should in no way contradict these forms and as far as possible should assist in their completion.
- Attention must be given to the long-term implications of carrying out development projects. The need for careful post-implementation management and the inevitable requirements for operating and maintenance funds should be emphasized, even to the point of discouraging development where it cannot be sustained.

The premise is that the guidelines should provide simple but comprehensive advice, that is operationally orientated, upon the project planning cycle. It should be based in the reality of local council activity and present day circumstances but encourage a more systematic approach to the use of available resources. The major emphasis will be upon single project inception, design and implementation. Links and references will be made, as far as possible, to existing administrative procedures such as the annual budget cycle. The wider context of development strategies and policies, needs assessment and programme planning will also be considered.

AN OUTLINE OF CONTENT

This section provides a skeletal description of the proposed content of the written guidelines. The major elements that will be included are given and within each an indicative listing

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of the points that will be included. The outline includes jargon and technical 'shorthand' which will not appear in the guidelines, where the style will be as straightforward and untechnical as is possible.

1. WHY PLAN?

- to provide for technical and political decision-making
- to maximize the use of the limited resources of finance, people, materials and time
- ensure priorities are considered
- to produce a common understanding of what is required, of responsibilities and timing
- to check on the feasibility of proposals
- to obtain funds

2. WHO PLANS?

- politicians
- technicians
- people, to gain popular inputs and preferences
- need to obtain wide base of support and understanding if planning is to lead to successful projects

3. IDENTIFICATION OR PROBLEMS AND NEEDS:

- concept of needs assessment and problems definition
- information requirements, objective/subjective and political judgments
- identification of causes and problems
- identification of opportunities and potentials
- elimination of those problems councils cannot or should not address
- for those problems and opportunities councils can address:

define priorities

define possible projects

choose between possible projects
(effectiveness, capacity, etc.)

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4. PROJECT PROPOSAL FORMULATION

- basically, what, where, how, how much, who and when
- definition of objectives
- definition of targets (groups, activities, end-state)
- locations
- what will project achieve and how will it do this
- required inputs, materials, equipment, labour, etc.
- project costing

capital costs

start-up/working capital

operating/recurrent requirements

- source of funding
- expected project outputs
- costs and benefits assessment, project effectiveness
- implementation plan and timescale
- allocation of tasks and responsibilities
- management of completed project

5. PROJECT COSTING AND FINANCIAL ANALYSIS

- a more detailed consideration of financial elements of projects. What is included in 'capital costs' (including capitalized recurrent costs?), the concept of working capital and the provision of recurrent and operating expenses
- difference between productive projects and those for infrastructure and social service provision. Including some simple consideration of rates of return and feasibility for productive projects
- simple costs and benefits analysis for projects as a measure of effectiveness and feasibility.

6. MANAGING PROJECT IMPLEMENTATION

- task allocation and responsibility charts
- physical implementation plan against time
- outside inputs required
- monitoring implementation

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7. MANAGING AN ON-GOING PROJECT

- needs for post-implementation management, finances, materials, maintenance, etc.
- monitoring and evaluation

8. PROJECT PLANNING AND ADMINISTRATIVE SYSTEMS

- annual budget cycle, Chaps I, II, and III
- accounting systems
- reporting
- links between project activity and wider administrative concerns and obligations
- regional requirements for project funding

9. PROJECT PLANNING AND LONGER TERM STRATEGIES

- individual projects always part of a larger whole
- advantages that can be gained from 'complementary' projects
- incremental approach to problems, phasing and inability to do everything at once
- possibility of taking advantage of projects being undertaken by other bodies

Additions and alterations to this outline will be made as a result of discussions and testing initial material production. It is hoped that the outline provides sufficient information to allow agreement to be reached at this point over the direction and general approach that should be followed.

CONCLUSION

This paper has provided an assessment of the capacity of area councils to fulfill their development functions. The only realistic conclusion that can be reached is that these local councils are unable to satisfactorily undertake their responsibilities. Arguably the most significant constraint acting upon councils is that of the acute shortage of financial resources and further that the resolution of this constraint

lies outside the councils themselves. However, the capacities of councils is equally constrained by poor organization and management, a lack of expertise and implementation capacity. Thus the absorptive capacity of councils to utilize funds, even if they were available, remains low.

Activities that would make a major contribution to the amelioration of this situation were identified but it was concluded that a coordinated programme of support and training was unlikely. The only realistic alternative is to attempt to provide assistance incrementally and partially despite the severe drawbacks of such an approach. One element of assistance that has been identified is the provision of advice to enable councils make better use of those development funds that might become available. In response a guideline on project planning and management was outlined that is considered suitable for the level of expertise and capacity available to councils. It is hoped that such guidance will make a useful contribution to the performance of local councils. However, it must be concluded that, without continuing back-up and attention to other problems confronting these bodies, the distribution of written guidelines alone cannot have a major impact upon the effectiveness of councils.

J. Wheeler

Regional Finance and Planning Project
May 1984



APPENDIX III

C O P Y

DEPARTMENT OF PLANNING & STATISTICS
REGIONAL MINISTRY OF FINANCE AND ECONOMIC AFFAIRS
EQUATORIA REGION
J U B A

Ref: -RMF&EA/ER/20-B-3/23

Date: -2-5-1984

SUBJECT: Outline of Project Evaluation Mission to
Western Equatoria Project

After traveling over a distance of over 1,094 miles visiting project sites the evaluation team came out with the following observations and remarks:

- (1) Generally, the performance of projects is very poor. The morale of the executors is low because of non-regular payment of salaries especially those employed against established posts. This is remarkable in hospitals, schools and the councils.
- (2) Those regional projects located in the rural areas lack information on how much has been spent on them. Responsible officials for projects hardly know how much has been released for their respective projects in a particular year. The source of this ignorance is traced to the fact that Regional Ministries make procurements and send materials to the project site without providing their monetary values. For instance, a weighing machine was sent to Mundri Secondary School whose value was not known to the school authorities. A sum of LS7,750 was released to the Directorate of Education for the purchase of that machine. However, the weighing machine (model 3901 AAG No. S769427 with max. capacity of 250kg) is hardly worth the amount released.

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Another example of lack of information on financial availability for projects is the Source Yubu (sic) Hospital case. A sum of LS20,000 was released to the Directorate of Health for reconstruction and maintenance of the hospital in question. That information caught the medical officer in charge by surprise. The medical officer has not made any steps towards renovation of the hospital as stated in the letter of request. In respect to this problem, it is recommended that some new implementing measures be formulated that will ensure clear links among the Department of Planning and Statistics, the Regional Ministries or Area Councils and the projects.

- (3) Construction Projects. Most of projects in this subsector are uncompleted (ranging from foundation to roof levels). The Department of Housing complains about lack of funds availed to it for execution. The Acting Divisional Engineer expressed determination to complete Yambio Civil Hospital, Department of Taxation and his own office. The major problems facing the sub-sector is the question of transport and building materials (mainly cement, zinc, nails, paints, etc).
- (4) Agricultural Projects. Weather plays a negative role in the development of cash crops like coffee. Prolonged droughts have badly affected coffee yields. People also expressed enthusiasm for the development of private afforestation. Local authorities showed willingness to accept extension services in forestry similar to the role played by agriculturalists in encouraging cash crop development. It was noticed by the team that wages and salaries form a large component in this category of projects except the Departments of Forestry and Prisons. The most demanding items for Agricultural Projects are mainly machinery and tools. Most of the simple tools seen were obsolete and require replacement.
- (5) Service Projects.
 - a/ Education. Many physical facilities such as buildings for schools complexes, additional classrooms, laboratories,

residential accommodations are lacking. In addition, shortage of furniture, teaching materials, laboratory equipment, and agricultural tools for establishing schools gardens is remarkable. Another problem facing schools' premises is congestion. The upgrading of some intermediate or primary schools premises into Secondary Schools is the source of the inconvenience. The Regional Government has not facilitated the construction facilities for schools affected by the upgrading. For example, Yambio Secondary School and Yambio Intermediate School are operating on the same premises. In Tambura, the secondary schools displaced the Intermediate School. Consequently, the Intermediate and Tambura Primary schools are congested on one premise. A serious attention should be paid to resolve this problem.

b/ Health. The team noticed that hospitals and rural health centres are suffering from acute shortage of medical equipment, essential transportation (ambulances), patient accommodation and bedding, light facilities and in some cases technical as well as professional manpower. The problem of light could be solved because all the hospitals the team visited possessed at least two (2) generators uninstalled. It is recommended that contacts be made with the Regional Ministry of Public Works and Communications to arrange the inspection of those generators to check whether they are in serviceable condition. During the inspection tour it was found out that Lui and Tambura hospitals lacked medical officers. In Maridi only one expatriate doctor was working in the absence of the national who was said to be on leave.

- (6) Infrastructural Projects. Juba - Wau road is the major project under the care of the Regional Government. The section Juba - Maridi handed over to the Government has seriously deteriorated especially between Juba and Mundri. No serious maintenance has been undertaken by the Department of

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Roads in the Ministry of Public Works and Communications. There is a need to create a strong maintenance unit. That situation is a challenge to the Regional Government that after the road is handed over from GITEC consultants, it will threaten impassability. Work on the second section Maridi - Tambura has been very slow during 1983/84 fiscal year. Among the reasons for the slowness is the irregular payment of counter-part contribution to the Project. Observations show that work is being roughly done. The Regional Ministry of Public Works and Communications need to supervise the project closely.

At the Area Council level feeder roads are in bad shape. The little sums released for that purpose serve nothing save maintaining few bridges. These roads need to be rehabilitated to ensure flow of agricultural and forestry products from rural areas to market centres. In order to achieve that objective, additional financial support needs to be given to feeder roads so as to ensure the procurement of simple tools.

- (7) Self-Help Activities. In every Area Council a lump sum is allocated on consolidated basis for that authorities could utilize the sum at will on anything they judged as a self-help activity. In some cases expenditure on items may concentrate in one sector leaving others to go without. In this respect, self-help activities need more definition and specifications for development purposes. One would recommend that Area Councils prepare self-help programmes and submit them for funding from the Development Budget. Such programmes should pervade the major sectors of the economy at local level.
- (8) Transportation Projects. In all the Area Councils the team's meetings with the heads of Departments came up with the idea of initiating transport projects. It was noted that most of Area Council programmes are hampered by lack of transport. In most cases motorcycles and bicycles were of preference to monitor rural programmes. In some cases need for cars was also expressed.



- (9) The Commissioner's Office. During the team's contact with the office, it was remarked that the province headquarters proposed some development programmes. These programmes could not fit into that of the Area Council nor are they fitted into the Programmes of the Regional Ministry of Administration and Regional Affairs. The province headquarters receive no financial help from the Regional Government or the Area Councils for its development needs. This situation is true for the new province headquarters. In this regard, it is recommended that contacts be made with the Regional Ministry of Administration and the provincial headquarters to take into consideration the problem of incorporating their programmes for development purposes.
- (10) Training. More emphasis is being laid on shifting planning and development activities from the Regional institutions to those at local level. The team observed that Area Councils face shortage of skilled and professional manpower. Throwing the task of development into the hands of unskilled and untrained manpower is a risk to the economy. Therefore, it is strongly recommended that training programmes in the field of development be a priority so as to ensure efficient management of projects and development programmes.

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APPENDIX IV

SELF-ADMINISTRATION IN KORDOFAN REGION:
WILL THE "HELPERS" HELP DEVELOPMENT PLANNING?
Research/Studies Paper #5

Project Title: Sudan Regional Finance and Planning Project

Project Number: 650-0012

SELF-ADMINISTRATION IN KORDOFAN REGION:

WILL THE "HELPERS" HELP DEVELOPMENT PLANNING?

With encouragement from Khartoum, the Governor of Kordofan Region in May 1984 officially reinstated traditional tribal leaders as part of a program of self-administration. The appointment of the 28 or so nazirs, or tribal chiefs, to the newly created post of director assistant, only recognized the power and influence still held by these men, albeit informally, since the reforms of the 1971 People's Local Government Act. Their newly redefined role in the region's system of local government begins a new chapter in Sudan's history of native administration.

Security has been the motivating force behind the recently initiated self-administration program. This is based upon the perception that lawlessness and conflict in the rural areas have been rapidly increasing and have gotten beyond the control of the present government machinery. However, self-administration will have an influence beyond just maintenance of law and order. The young and malleable process of development planning that has recently been established will also be affected. The impact on the development process and suggestions for operating in this changed administrative environment are discussed below.

Program Description. The program of self-administration is detailed in a document drafted by the Governor's Office, Kordofan Region. Proposed is the appointment of tribal chiefs, or nazirs, to the newly created post of director assistant

and appointment of sub-chiefs as their deputies. Two sets of functions are delegated to the chiefs: administrative responsibilities by authority of the governor, and judicial functions according to the Judiciary Law of 1983.

The newly delegated administrative powers are limited to the following:

- Security within the tribe.
- Maintenance of good relations with neighboring tribes and avoiding conflict.
- Collection of dia, the traditional system of compensation for death and consequences of other acts within the tribe.
- Control of tribal seasonal movement.
- Implementation of tribal laws and conventions.
- Proper utilization of natural resources including control of overgrazing, wood cutting, and use of water resources.
- Coordination of activities of animal owners and farmers to avoid conflict.
- Execution of the decisions of the District Council and advice on resource use and control measures.
- Observation of fire lines.
- Other tasks assigned by the governor or Local People's Government Organizations.

The omdas, or chiefs of sub-tribes, are empowered to collect taxes, fees and other money from their people under the supervision of the tribal chiefs.

The administrative powers enumerated are vague and this results from two factors. First, the conditions in the region vary widely, with some rural councils, district councils, or regional ministries already performing some administrative functions reasonably well in different places. The precise role of the director assistant within the tribe will vary as well, depending upon the current level of activity of these government units and their willingness to redistribute the work load to include the tribal chiefs.

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At the same time, the legal basis for exercising many administrative functions is undergoing revision. It is not possible to specify, for example, the taxes to be collected with the nation's financial system undergoing Islamization. Among the most likely taxes that will be collected on a tribal basis will be the animal tax and perhaps crop taxes. User fees for supporting local services, contributions for local projects and collection of loans extended by governmental organizations will also be likely activities attended to by the tribal leaders. However, it is unclear which taxes will remain in effect assuming that major changes in Sudan's financial system are implemented.

Even less detailed are the judicial powers that are to be simultaneously handed over to the tribal chiefs. Only the word "suitable" is used to describe these powers that the chiefs and sub-chiefs are to be delegated. Here the lack of specificity stems from the fact that the chief justice in Khartoum has yet to approve transfer of judicial powers to Kordofan's new native administrators. As with the administrative powers, the bases of the country's laws continue to undergo changes, the application of which still has not been sorted out by the already empowered judicial officials.

To date, twenty men have been appointed to the position of tribal chief. Elected by their tribe and screened by the Regional Security Committee, these men must possess at least the following minimum qualifications:

- Completion of primary education
- A good reputation and influence among his family and society
- Sincerity and good behavior
- Ability to handle money in a responsible manner
- Never accused of committing any criminal offense

In reality, most of the men selected for the post of tribal chief far exceed these basic minimum qualifications.

In the area of education, for example, many hold secondary school certificates, university degrees, and a few have completed post graduate work at the university level. Many have held responsible positions both inside and outside of government working as administrators and businessmen.

Surprisingly the group selected so far tend to be rather young with only three of the twenty formerly holding the title of nazir or tribal chief. Many, however, are the sons or close relatives of former chiefs.

KORDOFAN REGION

Names and Tribal Affiliation of Newly Appointed Nazirs or Director Assistants

Name	Tribe/Area
1. El Tom Hassan Ali el Tom	Kababish
2. Adam Hassan Nimir	Hawaweer
3. El Amein Ali Easa	El Agang & El Kawalil
4. Adress Abdalla	El Leri/Rashad
5. El Tahier El Nur Hanow	Hawazma & El Halfa/Rashad
6. Hamad Mohamed Dafa Alla	Messiria & Zorag
7. Kuwal Deng Majouk	Dinka & Najok/Abyai
8. Kambal Abd El Raheim	Awlad & Hammid/Rashad
9. Mohamed Hammad Assosa	Hawazma/Dilling
10. Mansor Monaim Mansor	Hammar
11. Mohamed Rahma Lashu	Northern Nuba/Kadugli
12. Mohamed Adam Hassab El Nabi	Kawahla, Logan, Dar Ali, Sakarnja/Rashad
13. Mohamed El Zaki El Fakei	Southern Nuba/Kadugli
14. Mohamed El Abed El Amein Akam	Shanabla
15. Mohamed Fadl Alla El Eaesr	Kawahla/Sodari
16. Ali El Taheir Jeli	Taggali/Rashad
17. Ali Nimir Ali El Jula	Majaaira/Abyai
18. Ejeil Judat Alla	Flayta/Fula
19. Abd El Jabar Haissain Zaki el Dein	Biederia/el Obeid
20. Ramadan Tyara	Nmanig/Dilling

Program Execution. Despite all of the uncertainty concerning what self-administration will really amount to, there are several indicators regarding the seriousness of the program and just how much thought has been put into its design and implementation.

1. The past debate concerning proposed separation of judicial from administrative powers of native administrators following the October 1964 Revolution has influenced present thinking. The debate had focused on the necessity of judicial sanctions for native administrators to be able to resort to in carrying out their functions. Under the new program the need to combine the two functions is recognized, particularly with the erosion of authority of tribal leaders which appears to have taken place in the past decade.

2. The program has been organized as a response to a very practical concern, namely insecurity and the ineffectiveness of modern administrative machinery to deal with this problem. The importance of security, however, is not being allowed to overshadow completely the participatory and ostensibly developmentally oriented People's Councils which were the cornerstones of Nimeri's May Revolution and have been vested with the authority in the 1971 and the more recent 1981 Local Government Acts. These councils were intended to break the conservative influence of the traditional elite in the rural areas, who, it was argued were against change and development. Instead, the program of self-administration has been placed under the jurisdiction at the district level of the first executive officer and the commissioner at the level of the provinces. The tribal chiefs are regarded as "helpers" to the administrative officers and field staff of the regional ministries in implementing decrees of the district councils.

3. The customary approach of designing programs without great concern over details such as training of manpower, resources, supervision, and other aspects related to implementation is not evident. There has been a great deal of attention to the orientation of the new tribal chiefs for which a week long program was conducted. Following this, sessions at the provincial level were conducted, to be followed by meetings at the district levels to work out the details of the program, includ-

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ing the need for supporting staff, logistics of transportation and communication, lines of authority, division of responsibility and accountability.

The week long orientation held in el Obeid was intended to accomplish the following:

- Stress the fact that self-administration is not to be regarded as a substitute for the area councils, but rather as an integral part of the councils' administrative machinery.
- Lay out the detailed powers and responsibilities of the director assistants and their deputies.
- Explain the contents of local native administration law and regional administrative law to the tribal leaders.
- Emphasize responsibilities in the areas of natural resource protection and management as well as regional and local development.

Accordingly, the orientation program was organized around nine topics with each session led by a government officer familiar with the subject. Discussed in the course of the week were the following topics:

- Changes in rural society since abolition of native administration in 1971.
- The Regional Government Act of 1980.
- The relationship between the area councils and the native administrators.
- The role of political organizations in local administration.
- Judicial powers proposed for delegation and their implementation in rural areas.
- Tribal security.
- Production relations between farmers and pastoralists and the role of the director assistant in natural resource protection.
- Implementation of regional and local development planning.
- General Services Program of 1976 concerning government civil service.

The fact that the program of self-administration will require resources which are already in scarce supply has not

been overlooked. The salary of the tribal chiefs which has been set at LS 175 per month will in itself not impose much of a hardship on the already bloated personnel (Chapter I) budget of the region. Provision of supporting staff, especially tribal police, and clerks to attend to judicial and administrative matters, depending upon how many can be assigned from the swollen ranks of the district councils and regional ministries, may have a more significant effect. Inevitably the question of transportation comes up and the need for cars, a favorite topic of conversation, becomes a central concern. Some of the tribal chiefs do not want vehicles, or feel that those already in the districts will suffice. It appears that the regional government will make soft loans available to tribal chiefs who wish to purchase vehicles, with the running costs and maintenance the responsibility of the individual.

4. The governor told the newly appointed self-administrators that they must succeed in raising the contributions of their people toward provision of services and other development activities. Recognizing that the government could not shoulder the capital and recurrent costs of services and development programs, collections from the animal tax and self-help contributions would have to play an increasingly important role in financing. Unlike past administrative reform measures where efforts at promoting local participation through formation of rural councils have resulted simply in more demands on government resources and a loss in control over planning, participation in 1984 would have to emphasize self-reliance and a willingness to take responsibility for a greater share of the capital and recurrent costs associated with the provision of basic services.

Estimates of improved yields from the animal tax appear very optimistic. The rates are set by the regional government and assessment done by a committee consisting of the

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village sheikh, tribal chiefs, chiefs of sub-tribes, and government officers from the district council. Using the knowledge of the tribal leaders regarding size of herds and motivated by a commission whereby 10 percent of the tax collected is paid to the sheikh and 10 percent to the chiefs of sub-tribes, a significantly enlarged base with stricter enforcement is expected to produce large revenue increases. Even the implementation of the Islamic tax or zakat, which is expected to result in a lower rate, should result in improved revenues due to expansion of the tax base itself to reflect the real number of animals in the region. It is estimated that less than one-third of the animal wealth of the region is currently included in the tax base based upon the assessment formula: one-third for the owner, one-third for insurance in the event of disease or drought, and one-third subject to taxation by the government.

Self-help contributions on either a voluntary or mandatory basis (such as a levy on sugar or flour) have a history of success and there is every reason to believe that beneficiaries organized on a tribal basis will be willing to contribute to the financing of services that they desire. Here the tribal leaders may in fact be a significant organizing force as the governor expects. Furthermore as guarantors on loans made to tribal members for agricultural activities, it is likely that lenders will be less reluctant to extend credit, given assurances of repayment on the part of the tribal chief.

Prospects and Recommendations. It is important to remember that concerns over deteriorating security in the rural areas of the region are the principal reason why self-administration is being revived. Insofar as development is concerned, there is a direct connection between security problems, those of conflict over access to natural resources, banditry, and the breakdown in law and order, with the implementation



of development projects and activities. This is certainly evident in the southern part of Sudan today where resources earmarked for development projects have been entirely consumed by the police and army, projects redirected to address security rather than developmental objectives, and expert assistance forced to flee or discouraged from coming.

The situation in Kordofan, however, is different than in the south. The underlying causes are less discontent and a feeling of alienation from a distant and seemingly insensitive government in Khartoum, than an imbalance between people, their animals and their surroundings which is compounded by traditional lack of self-discipline and a tendency to resort to individual action when tempers are lost. Disputes over pasture and water have apparently intensified and what is needed is a mechanism to resolve such conflicting claims to the region's resources without reverting to violence.

However, with the continued degradation of the region's resources due to overpopulation, mismanagement and climatic changes, even the most dedicated and skillful arbitrators will shortly be overwhelmed. Unless someone is willing and able to impose the discipline that is lacking in terms of the use of the region's resources, the hopes placed upon the newly appointed self-administrators to maintain security will never be realized. Development, and perhaps even more important, survival itself, may depend upon reinstatement of the old system of land rotation, transformation of the existing pattern of land use and introduction of modern techniques for raising productivity of land and labor. The rural councils since 1971 have not shown the willingness to engage in such "unpopular" activities, instead preferring to concentrate on the provision of much demanded services. Perhaps a new generation of educated and experienced tribal chiefs, who have the respect of their people and the backing and support of the government, will be a more effective



agent for introducing the ideas, programs and regulations needed to address the region's fundamental problems.

The fact that the government is compelled to go back to a system of administration based upon tribal affiliations suggests that there has been a failure in the hoped for social development of the rural area. Tribalism, while perhaps not as strong a force as it was in the past, is still a significant fact of life in Sudan. It can be viewed either as a problem or an opportunity insofar as development is concerned. Since there are so many other obstacles it makes sense to view the phenomenon as an opportunity and try to make it work for, rather than against, development in other spheres of life within the country. What then can be done to support and make more effective the self-administrators as they work with their people in the region?

1. The tribal chiefs should be considered as extension agents, capable of disseminating the results of research and solutions to problems of environment, agriculture, and health to their tribes. Their knowledge of local conditions and their own people, combined with technical information, will help ensure that the right solutions to the most pressing, properly identified problems are applied. What would be required is periodic workshops with researchers in the region where advice could be exchanged: the tribal leader gaining technical understanding and the researcher a better picture of local conditions and guidance concerning priorities to better focus research efforts.

2. The tribal chiefs should work closely with the newly appointed district development officers. Knowledge of planning processes and administrative procedures combined with the familiarity of local conditions, attitudes, and preferences would direct development in a way that tribal and district objectives could be reconciled and feasible and effective projects carried out.

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3. A system of incentives must be devised so as to maximize the revenue generating capability of the tribal chiefs. Aside from personal rewards or commissions paid to the sub- and village chiefs, there must be guarantees that locally raised revenues will remain in the area and that improved collections will be rewarded or at least not penalized by reduced grants in aid from the regional level. Tribal chiefs should be encouraged not only to raise revenues for particular development projects from those who stand to benefit, but also to see to it that value in terms of materials, services, or equipment purchased is received for the money.

4. While not entirely suitable as a planning unit, tribes can and should be considered in project design and implementation. The manner in which the project cycle is run through should at some point give attention to this social and economic grouping to see how it can be used to maximum advantage. The tribal chief can be a convenient and knowledgeable contact when it comes to considering tribal aspects of development projects that originate above the local level.

As the region's development planning process becomes better defined and begins operating along more formal lines, it is hoped that the self-administrator's role can be made more explicit and itself become an integral part of the planning system. One of the more apparent weaknesses with planning in Kordofan is the shaky overextended administrative base upon which it must depend. The addition of tribal self-administration should strengthen that base and in so doing expand the possible impact that planning may have in directing the development of the region.

APPENDIX V

THE MACROECONOMIC ENVIRONMENT OF DECENTRALIZATION

Research/Studies Paper #6

Project Title: Sudan Regional Finance and Planning Project

Project Number: 650-0012

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spending for education represents a declining share of total actual government spending. In 1980 education accounted for only one percent of total spending, whereas in 1970 it represented six percent. Between 1970 and 1980 spending for education remained fairly constant while total spending rose at a compound rate of 23 percent a year. These trends obtain even though the brain drain is continuously eroding the stock of skills inherited from the past.

The scarcity of modern skills is reflected in managerial problems and low productivity. These in turn lead to the lack of economic opportunity, the tendency for existing skills to migrate in response to foreign wage incentives, a low savings ratio and local capital shortage. Sudan's skill deficiencies can only be redressed by widening educational opportunities for all social classes and regions. Building the human resource base is a long term proposition, however, so that for the foreseeable future a serious problem of resource imbalance is inevitable.

The purpose of this present paper is, first, to measure recent trends in real output and labor productivity that are at least partially attributable to resource imbalance and, second, to assess their impact on the present effort to decentralize government in the Sudan. A second companion paper will examine the long run trend in the financial cost of decentralization and its relation to real output, government spending, and inflation.

Real Output Growth

Table 1 provides estimates of value added in constant 1981/82 prices by each of the main sectors of the economy for the years 1972/73 - 1982/83. The sum of these values added equals real Gross Domestic Product (GDP) at factor cost, a standard measure of the aggregate output of resident production units. Also included in Table 1 is nominal GDP, a measure of

THE MACROECONOMIC ENVIRONMENT OF DECENTRALIZATION

There are several obvious constraints that inhibit the implementation of decentralized government in the Sudan. Among the more important are the lack of clarity in the law defining the responsibilities and prerogatives of the different levels of government, the imbalance between assumed responsibilities and the financial resources needed to meet them, the scarcity of trained personnel at the lower levels of government, the bureaucratic resistance to genuine devolution of power, and the lack of an effective institutional framework for decentralized government. Of these, the lack of clarity in the law is the most easily corrected. The others are derived in one way or another from a serious resource imbalance that constrains economic development and real output growth in the Sudan.

Sudan is well endowed with natural resources, but it suffers from human resource deficiencies. According to recent World Bank estimates, 80 percent of the adult population are illiterate (in the south the rate is at least 90 percent). High level manpower (managers, professionals and technicians) account for less than three percent of the labor force. Nearly 70 percent of the labor force are employed in agriculture, which is characterized in most regions by traditional practices. The traditional sector still accounts for about a third of GDP.

The Sudanese population is very young, 47 percent are under 15 years of age, but access to education is still quite limited. Primary school enrollment as a percent of the 7 to 12 years age group (the enrollment ratio) is 52.3 for boys and 39.5 for girls. Enrollment ratios are 29.6 for boys and 22.9 for girls at the intermediate level, and only 17.1 and 10.6 respectively, at the secondary level.^{1/} These low ratios notwithstanding, government

^{1/} Ministry of Education and Guidance, Education Statistics, 1982/83, pp. 14-15.

TABLE 1. REAL AND NOMINAL GDP (LS MILLIONS)

SECTOR	SECTORAL VALUES ADDED (in 1981/82 prices)										
	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
AGRICULTURE A	1600	1898	1904	1832	2038	2224	2095	2028	2133	2265	2095
INDUSTRY I	838	894	964	1301	1305	1314	1370	1335	1414	1514	1485
Mining & Manufacturing	331	339	404	412	412	394	395	438	456	470	482
Public Utilities	80	67	67	82	83	80	86	105	111	117	123
Construction	127	198	187	229	229	225	237	245	260	280	300
Transport & Communications	300	290	306	578	581	615	652	547	587	647	580
SERVICES S	1306	1415	1638	1761	1993	2107	2104	2364	2443	2487	2515
Trade & Finance	796	951	1158	1208	1464	1564	1422	1570	1679	1729	1745
Services (Government & Private)	510	464	480	553	529	543	682	794	764	758	770
REAL GDP (at factor cost)	3744	4207	4506	4894	5336	5645	5569	5727	5990	6266	6095
IMPLICIT GDP DEFLATOR (1981/82=100)	21	27	30	33	39	46	52	65	83	100	130
NOMINAL GDP (at current factor cost)	787	1116	1342	1622	2084	2577	2896	3723	4972	6266	7924

SOURCES: Values for 1978/79 - 1982/83 are from Democratic Republic of the Sudan, Ministry of Finance and Economic Planning, Planning, Prospects, Programmes and Policies for Economic Development - II, 1983/84 - 1985/86 (October 1983), p. 30.

The data for 1972/73 - 1977/78 are from World Bank, Sudan: Investing for Economic Stabilization and Structural Change (Statistical Annex, Part 2). So that the two series could be linked, the base year price level of this earlier series was shifted from 1977/78 to 1981/82.

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the current incomes paid by resident producers to the owners of the factors of production needed to produce the annual gross output of goods and services.^{2/}

Fluctuations in nominal GDP usually reflect a combination of price and volume changes. GDP at constant factor cost isolates volume changes by holding factor prices constant; changes in the GDP measured in this way represent volume or real changes. In contrast, nominal GDP with prices free to fluctuate measures the aggregate current expenditure of producers. Thus the difference between the two may be attributed to factor cost inflation. The implicit GDP deflator, also included in Table 1, is an index that measures this difference. It is found by dividing nominal GDP by real GDP and multiplying by 100.

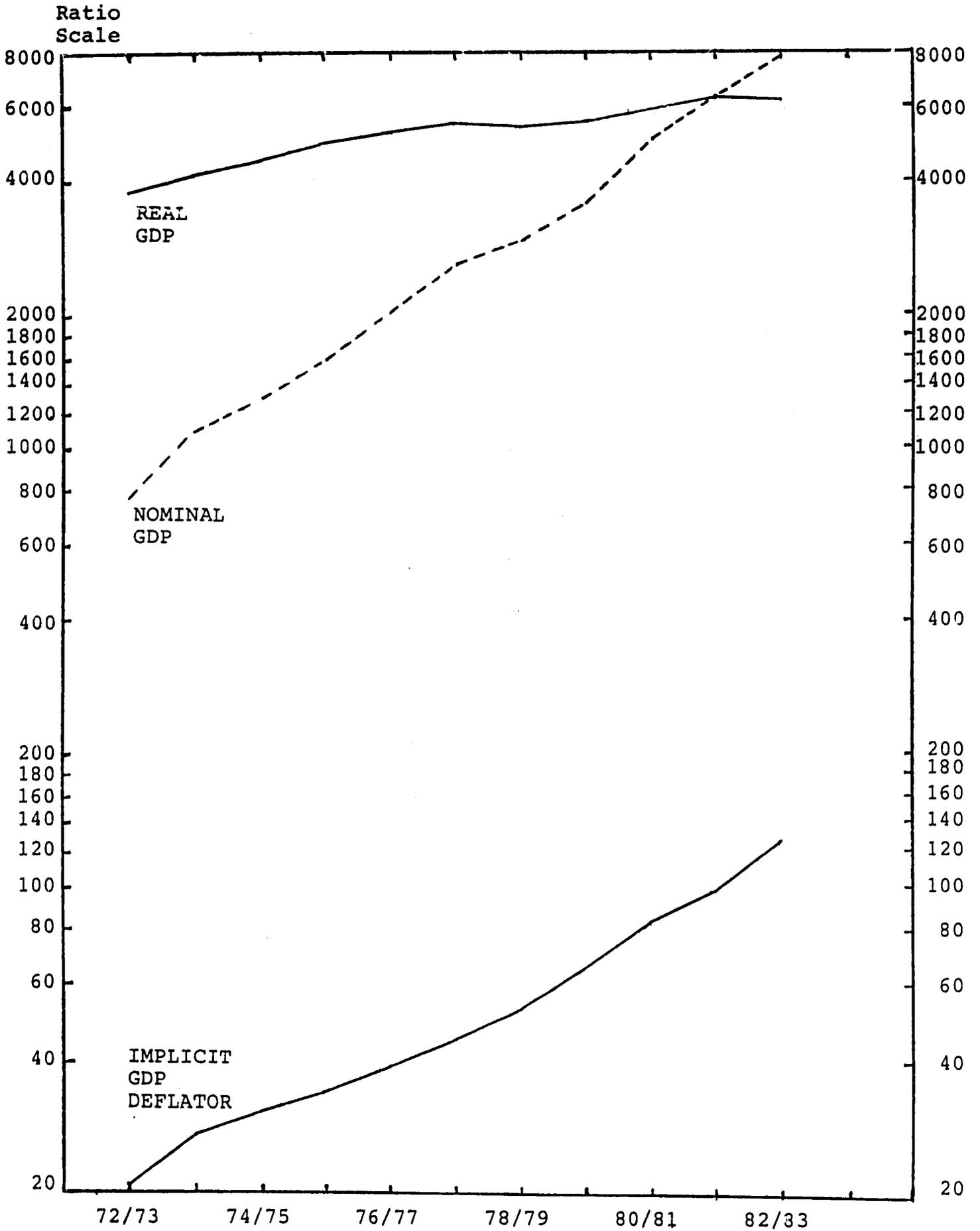
The three series are plotted on ratio (log) scale in Chart 1. On this scale, variations in the slope of the graph indicate variations in rates of change. Looking at the volume of production, it is apparent that real GDP rose rapidly from 1972/73 through 1977/78, declined in 1978/79, expanded again in 1979/80 through 1981/82, and declined again in 1982/83.

In general, growth has been far less buoyant since 1978 than it was in the earlier years. From 1972/73 through 1977/78 real output rose at an average compound rate of 8.6 percent a year, whereas in the later years average compound annual growth was only 1.5 percent. Although nominal GDP averaged approximately 26 percent a year throughout the decade, much of this growth is attributable to inflation. This is especially true in the last half decade. Between 1977/78 and 1982/83 the general level of prices rose 23 percent a year, while in the earlier years the average rate of increase was about 17 percent.

^{2/} GDP minus incomes paid to foreign factor owners equals GNP at factor cost.

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CHART I. GROSS EXPENDITURES, PRODUCTION AND INFLATION



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The data make it clear that 1977/78 was a pivotal year, making the transition from a period of rapid growth with inflation to one characterized by accelerating inflation with relatively low and uneven rates of output growth. This worsening aggregate performance coincides with declining productivity per worker and some adverse changes in the structure of the economy.

Trends in Employment and Labor Productivity

Levels of employment are listed by sector for three time periods in Table 2. According to these estimates, employment rose from 4.3 million in 1972/73 to approximately 6 million in 1982/83, for an annual compound rate of growth of 3.2 percent. The most rapid expansion of employment occurred in various branches of the industrial sector (I), which as a group grew an average of 6.1 percent per annum during the decade. Employment growth was especially rapid during the 1976/77 - 1982/83 period in mining and manufacturing, public utilities and construction, which grew at annual compound rates of 6.4, 9.0 and 7.6 respectively. In contrast, expansion of employment in agriculture (A) and the services (S) was less dynamic. Employment in the S sector grew only at an average rate of 1.0 percent a year in the period 1972/73 - 1976/77, but then accelerated to 3.4 in the latter period for an overall average rate of 2.4 percent per annum during the decade. The A sector, on the other hand, expanded employment 4.4 percent a year in the earlier period, and then slowed its expansion to 2.1 percent a year after 1976/77. The overall average rate of employment growth in the A sector was 3 percent per annum. But even though it lacks dynamism, the A sector remains the main generator of Sudanese employment. Over the decade, the A sector provided employment for 1,009,000 extra workers, whereas incremental employment was 324,000 in the I sector and 283,000 in the S sector.

TABLE 2. EMPLOYED LABOR FORCE

SECTOR OF EMPLOYMENT		NUMBER EMPLOYED (000)		
		<u>1972/73</u>	<u>1976/78</u>	<u>1982/83</u>
AGRICULTURE	A	2888	3435	3897
INDUSTRY	I	402	492	726
Mining & Manufacturing		144	185	268
Public Utilities		39	46	77
Construction		77	92	143
Transport & Communication		142	169	238
SERVICES	S	1044	1088	1327
Trade & Finance		204	246	298
Public & Private Services (Includes Undistributed Labor)		840	842	1029
TOTAL		4334	5015	5950

Source: Mohamed Ali El Shinawi, A Report on Education, Training and Manpower (IBRD/UNDP Planning Assistance and Training Project, February 1984), p. 6.

Unfortunately real output after 1977 failed to keep pace with employment in the A and I sectors. The resulting decline in worker productivity can be seen in Table 3. Output per worker rose between 1972/73 and 1976/77 in all three of the main sectors, and, with the exception of public utilities and manufacturing, in the subsectors as well. Productivity growth in this early period was especially strong in the construction, transport and communications, and trade and finance sectors. In contrast, in the 1976/77 - 1982/83 period, productivity in most branches of the economy declined sharply, with reductions being most pronounced in the subsectors of industry. It is important to note that inspite of the priority given them, productivity in manufacturing and public utilities declined in all measured periods over the decade.

Changes in Economic Structure and Relative Productivity

Underlying these variations in real output per worker are some significant shifts in the structure of production and the labor force. (Table 4) Spurred by growth in trade and finance value added, the S sector's share in production has been rising, whereas the share of the I sector in real output has remained fairly constant and the A sector's share has been falling. Concerning shares in the labor force, the I sector's share rose in each measured period, while the A and S sectors behaved as mirror images. When the labor share of the A sector rose, the S sector's share fell, and when the A sector's share fell the S sector's share rose.^{3/}

A given sector's share in product divided by its share in the employed labor force provides that sector's output per worker

^{3/} The proposition that low level service jobs are a substitute for agricultural jobs deserves investigation.

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TABLE 3. REAL VALUE ADDED PER WORKER (LS, 1981/82 PRICES)

SECTOR		1972/73	1976/77	1982/83
AGRICULTURE	A	554.0	593.3	537.6
INDUSTRY	I	2084.6	2652.4	2045.5
	Mining & Manufacturing	2298.6	2227.0	1798.5
	Public Utilities	2051.3	1804.3	1597.4
	Construction	1649.4	2489.1	2097.9
	Transport & Communication	2112.7	3437.9	2437.0
SERVICES	S	1251.0	1831.8	1895.3
	Trade & Finance	3902.0	5951.2	5855.7
	Public & Private Services	607.1	628.3	748.3
ALL SECTOR AVERAGE		863.9	1064.0	1024.4

Source: Tables 1 and 2.

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TABLE 4. SECTORAL SHARES IN PRODUCT AND LABOR FORCE

SECTOR	REAL GDP (%)			LABOR FORCE (%)		
	1972/73	1976/77	1982/83	1972/73	1976/77	1982/83
AGRICULTURE A	42.7	38.2	34.4	66.6	68.5	65.5
INDUSTRY I	22.4	24.4	24.3	9.3	9.8	12.2
Mining & Manufac.	8.9	7.7	7.9	3.3	3.7	4.5
Public Utilities	2.1	1.5	2.0	0.9	0.9	1.3
Construction	3.4	4.3	4.9	1.8	1.8	2.4
Transp. & Comm.	8.0	10.9	9.5	3.3	3.4	4.0
SERVICES S	34.9	37.4	41.3	24.1	21.7	22.3
Trade & Finance	21.3	27.4	28.6	4.7	4.9	5.0
Public & Private Services	13.6	10.0	12.7	19.4	16.8	17.3
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

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relative to the economy-wide average product of labor.^{4/} Using the shares listed in Table 4, the resulting relative per worker productivities are listed in Table 5, where for example the ratio 0.641 shown for the A sector in 1972/73 means that average agricultural productivity per worker then was 64 percent of the economy-wide average productivity of labor.

The indicators for the three measured periods suggest that agricultural productivity has been falling in relation to the economy-wide average, while productivity in the S sector has been rising. The relative productivity of the I sector has varied, showing a rise in 1976/77 followed by a sharp decline by 1982/83. Closer scrutiny of the subsectors of industry and the services reveals some interesting relationships. While productivity in all branches of the I sector is considerably higher than the economy-wide average, none compare with returns to effort in the trade and finance area. Here productivity is nearly six times the general average. Since public and private services are well below the average, it is the extraordinarily

^{4/} If Y_i = output of the i sector
 Y_t = economy-wide output
 L_i = employment in the i sector and
 L_t = economy-wide employment

Then $Y_i/Y_t \div L_i/L_t =$
 $Y_i/Y_t \times L_t/L_i =$
 $Y_i/L_i \times L_t/Y_t =$
 $Y_i/L_i \div Y_t/L_t$, i.e. the i sector's share in

output divided by its share in employed labor is equal to the average product of labor in the i sector divided by the economy-wide average product of labor.

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TABLE 5. RELATIVE PRODUCTIVITY AND INTERSECTORAL INEQUALITY

THREE MAJOR SECTORS		1972/73	1976/77	1982/83
AGRICULTURE	A	0.641	0.558	0.525
INDUSTRY	I	2.409	2.490	1.992
SERVICES	S	1.448	1.724	1.852
INDUSTRY + SERVICES	I+S	1.716	1.962	1.901
SUB SECTORS OF INDUSTRY				
Mining & Manufacturing		2.697	2.081	1.756
Public Utilities		2.333	1.667	1.538
Construction		1.889	2.389	2.042
Transport & Communication		2.424	3.206	2.375
SUB SECTORS OF SERVICES				
Trade & Finance		4.532	5.592	5.720
Public & Private Services		0.701	0.595	0.734
INTERSECTORAL RATIOS				
I/A		3.758	4.462	3.794
S/A		2.259	3.090	3.528
I+S/A		2.677	3.516	3.621
INEQUALITY IN SECTORAL PRODUCT PER WORKER				
		47.8	60.6	62.2

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high returns to effort in trade and finance that account for the relatively high average returns in the broadly defined S sector. In all subsectors of the I sector there is evidence of relative decline since 1976/77. This decline is especially pronounced in manufacturing, transport and communications. As for the A sector, returns to effort there have periodically worsened, until by 1982/83 they were little more than half the economy-wide average. The intersectoral ratios listed in Table 5 show that the I and S sector productivities, individually and combined, are about three and a half times larger than those of the A sector. The evidence at hand shows that returns to effort in agriculture are very low in relation to alternative lines of production and employment.

One widely observed attribute of economic growth and development is the tendency for intersectoral productivity differences to narrow as a country advances toward economic maturity. In the case of the Sudan, however, productivity differences seem to be widening. Inequality in sector product per worker is tending to increase, rather than decline. The rise in the index of inequality shown in Table 5 rose from 47.8 in 1972/73 to 62.2 in 1982/83.^{5/}

Interpretation and Implications

This paper adds to a growing body of evidence of economic retrogression in the Sudan. Since 1977/78 growth in real output has slowed and inflation has accelerated. There is also evidence of absolute decline in output per worker in agriculture and

^{5/} This index, attributable to Kuznets, is the sum of the differences between the shares in product and labor for the three major sectors, signs disregarded. By this measure perfect intersectoral equality in productivity would be zero.

industry, as well as a decline in productivity of these workers in relation to the economy-wide average. In the services sector, productivity is far above average in trade and finance, but far below average in public and private services. The apparent stagnation in productivity growth points to a static or declining average standard of living, and increasing intersectoral inequality in output per worker implies a growing incentive for rural population to migrate to urban centers in search of better opportunities.

At the beginning of this paper it was proposed that resource imbalance lay at the heart of Sudan's development problem. Natural resource advantages exist and foreign capital is available, but indigenous, modern skills are lacking. These skill shortages are hard to eliminate. The existing educational system is not meeting the challenge, the brain drain is eroding the accumulated stock of skilled manpower and compensatory importation of skills from abroad is not a practical solution.

The importance of human resource investment in the development process can hardly be exaggerated. Modern development requires a skilled and disciplined work force. The effective use of equipment depends on complementary human skills, so that underinvestment in human resources reduces the rate at which additional capital can be absorbed. Without adequate human investment, the capacity to absorb physical capital will be low. Imbalanced investment leads to wasted opportunities.

Recent Sudanese experience confirms these assumptions. In the period of the 1970/71 - 1974/75 five year plan, actual public sector capital investment amounted to approximately LS 250 million, or US\$ 718 million at the exchange rate of that time. In context this represents a substantial injection of capital, an application of a "big push" development strategy. The goals sought were the achievement of accelerated and balanced growth, a reduction in regional and individual income disparities, the attainment of self sufficiency in selected basic commodities,

and improvement and expansion of the transport system. In actual implementation, the I sector received 53.8 percent of total investment, with the A and S sectors receiving 26.5 and 19.7 percent respectively. Within the I sector, mining and manufacturing received 29.2 percent and transport, communications and power received 24.6 percent of the total. As the record shows, the results of this planned development push were essentially the opposite of the goals sought. Concerning this development push of the 1970s, the IMF's assessment is instructive:

". . . serious structural problems began to emerge throughout the economy by the mid-1970s. These problems stemmed partly from the sheer physical difficulties of implementing investments involving the movement and setting up of imported capital equipment in a large country which possessed only a rudimentary transport and communications system. The completion of many projects fell behind schedule, thereby delaying their contribution to the economy, and the situation was aggravated after 1973 by the emigration of skilled Sudanese workers. . . ." ^{6/}

The lesson to be drawn is that without complementary human resources and a supporting infrastructure capital injections will not likely succeed in accelerating growth.

Given the prevailing economic background it is clear that the redesign of the structure of subnational government in 1971 and again in 1980-81, with continuing effort to decentralize government, have come at an inauspicious time. The pyramidal structure, which now includes five levels of administration, adds to the demand for already over-stretched resources. In

^{6/} International Monetary Fund, Sudan-Recent Economic Developments (August 30, 1982), p.1.

the present framework, administrative functions and facilities have to be replicated at level after level. Coming at a time of increasing resource scarcity the simple fact is that the resource requirements of decentralized government in its present form are not likely to be met in the foreseeable future. If they were to be met the opportunity cost in terms of foregone value products elsewhere in the economy would likely be very large indeed. This is especially true in the case of higher level technical and administrative manpower.

Even so, there is a strong case to be made for decentralized government in a country as large and culturally diverse as Sudan. If broadly based progress in decentralization is to be achieved in the foreseeable future foreign assistance will be absolutely necessary. Although an extensive training program is an essential requirement, the first step should be an analysis and consensus on the governmental functions needed for effective devolution of power and responsibility, followed by the design of a simpler, less pyramidal administrative structure to perform the needed functions. The goal should be to economize on scarce manpower while providing the essential services required of government.

In the final paper of this series the trend in the financial cost of decentralization will be examined and the points above elaborated in more detail.

David G. Edens
Chief of Party

APPENDIX VI

BAHR EL GHAZAL REGION (BGR)

SUDAN REGIONAL FINANCE AND PLANNING PROJECT (SRFPP)

WORK PLAN

July - December 1984

INTRODUCTION

In Bahr El Ghazal the June 1983 redivision of the former Southern Region required a time consuming reformulation of development policy and a careful review of available forms of external assistance. In reviewing the Sudan Regional Finance and Planning Project (SRFPP), areas in which this project can be implemented in accordance with the priorities of the regional government have been identified. The present work plan is the result of this process. Those participating include Isaac Makur Ater and Bonar Thiang in Wau, and Osman Mohamed Osman, Thomas Eighmy and David Edens in Khartoum. Following the broad categories of SRFPP assistance, the work plan is divided into three sections: Training, Research, and Model Projects.

I. TRAINING

The training component of the SRFPP falls within the purview and priorities of the RMFEA. This being the case, the type of training provided should be geared to meeting the requirements of its finance and planning functions. Since the Directorate of Planning is the coordinating agency for projects being implemented by various units of government, including project planning staff in other ministries and in area councils, it will be necessary to train selected personnel from other units of government if the development responsibilities of RMFEA are to be met. It is proposed, therefore, that during the six month period (July-December 1984) a number of persons will be selected for both short and long courses. These courses will be arranged to suit the actual training needs in BGR. Emphasis will be placed on local development and the project cycle.

If decentralization is to affect the grass roots of society, new procedures will have to be established to compliment these training activities. New planning skills will be meaningless without effective management and financial systems. This means that financial controls must be strengthened and financial management improved. Area councils must be encouraged to be effective instruments of development at the local level, especially in the area of self-help miniprojects. Senior staff at the area council level therefore need to be trained if decentralization policy is to succeed. Areas to be covered should include identification and design of small projects, taxation at the local level, local government law, public finance and accountancy, and so forth. The SRFP should be a part and parcel of this process. Six persons are proposed under this work plan to attend short courses on some of the topics suggested above.

II. RESEARCH

Documentation Center

At the moment, there is a complete lack of organized data collection in BGR. The data that could be considered available is what was left in the former Ministry of Finance and Economic Planning in Juba. The collection and analysis of BGR data have not yet been undertaken because of technical difficulties and the question of financing such a project. Under this item a project is being proposed for the collection and storage of data.

Furthermore, to ease the lack of office accommodation, a separate building should be built. This is to be used as a documentation center. For the time being concentration shall be on data collection, both in BGR and Equatoria Region where most of the data is to be collected. Mr. Raymond Aguek Akok will be assigned this work. Future plans to close the remaining gaps shall be carried out through field surveys. This will be considered as the second phase of this project.

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The SRFPP will also be required in the second phase to provide bookshelves, a desk for a librarian, reading tables, textbooks in economics, some journals, and filing cabinets for data storage. All in all, at this initial stage, concentration shall be on data collection and its storage.

III. MODEL PROJECTS

Small Projects Fund

In order to bring project identification and implementation closer to the grass roots, and to increase the development impact of projects, a self-help projects fund of LS 100,00 will be established by the SRFPP and managed by the Bahr El Ghazal RMFEP. Project proposals are expected to originate at the area council or rural council level, to be screened and financed at the regional level, with SRFPP participation on a matching fund basis, and to be implemented at the area council level. RMFEA (Planning) will provide advice and assistance to local planners at the area council level in all phases of the project cycle. The regional government will ultimately be accountable to the DRLD for the project resources allocated through the fund. If needed, further advice will be provided by the DRLD. The fund will be managed according to the guidelines below.

FUND MANAGEMENT GUIDELINES

I. Requirements for Project Funding

It is important that project proposals are both comprehensive and sufficiently standard to allow comparison.

Provided below is a suggested minimum of information needed to approve decisions and to provide evidence that the proposal has been well considered and is feasible. It is expected that

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the region will prepare (if it has not already done so) a project proposal proforma which incorporates the information requirements specified below. All Bahr El Ghazal proposals for funding by the SRFP must use the proforma prepared by the RMFEA. The kinds of information to be included are:

1. Project Description:
 - Location
 - Needs to be addressed
 - What the project will achieve
 - The number of people who are expected to benefit from the project

2. Project Inputs:
 - Description and quantity of equipment, materials, labor, and supervision required to implement the project and operate it thereafter

3. Costs and Revenues:
 - Capital costs
 - Recurrent costs
 - Expected gross revenues (in cases of income generating projects)

See attachment I for a checklist of costs

4. Implementation Plan:
 - State who will be responsible for
 - supervision and management of implementation
 - site preparation and construction
 - arranging for local inputs
 - Provide an estimated time table for implementation

5. Management Plan:
 - Explain who will be responsible for operating and maintaining the project on completion

II. Criteria for Project Selection

1. Satisfactory completion of I above.
2. Priorities
 - a. First priority shall be given to projects that directly increase local productivity and income, e.g. agricultural and livestock projects.
 - b. Second priority shall be given to projects that indirectly support increases in local productivity and income, e.g. storage facilities, roads, bridges and water supplies.
 - c. Third priority shall be given to social services and facilities, e.g. schools, infirmaries, etc.
3. Technology and other project inputs introduced should be capable of being sustained and serviced through local resources.
4. The administrative and organizational structure through which the project will be implemented and operated must be demonstrably adequate.
5. There must be some community contributions in kind, labor or cash from locally derived sources.
6. Projects producing for the market must provide a reasonable surplus of revenues over cost (including maintenance and depreciation allowance) in the form of income for local government or other participants in the project. In the case of infrastructure or social service projects, a committed source of finance sufficient to cover operating expenses and maintenance must be identified.

III. Accountability

1. Information copies of all supporting documents must be sent immediately to the DRLD for each project approved for funding.

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2. Financial and physical progress reports will be submitted by the RMFEP to the DRLD quarterly. These will include the following information:
 - a. Projects approved during the quarter by name and cost.
 - b. Funds released during the quarter by project and cumulative total.
 - c. Funds actually expended by project during the quarter and the cumulative total expended.
 - d. A description of the physical implementation accomplished to date for each project.
3. The RMFEP will collect and maintain complete documentation (vouchers, paid bills and the like) of all project expenditures. These will be made available to the DRLD on request for audit.

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SRFPP BUDGET - BAHR EL GHAZAL REGION

July - December, 1984

<u>TRAINING</u>	LS	48,799
1. <u>Cairo Program: Regional Planning and Rural Development</u> (to be announced; 3 persons)	25,320	
Air traves 400.000 x 3	1,200	
Tuition 750.000 x 3	2,250	
Per diem 162.000 x 3 x 45	21,870	
2. <u>DSRC Diploma Course</u> (Sept. 1984 - Aug 1985; 3 persons)	9,523	
Air travel 274.250 x 3	823	
Tuition 800.000 x 3	2,400	
Per diem 150.000 x 3 x 12	5,400	
Research Support 300.000 x 3	900	
3. <u>IAS and/or AAS Courses</u> (To be announced; 6 persons)	5,966	
Air travel 274.259 x 6	1,646	
Tuition 300.000 x 6	1,800	
Per diem 30.000 x 6 x 14	2,520	
at KRT - IAS, OJT at MFEP Wau - RATC		
4. <u>M.Sc. Program, U. of Khartoum</u> (2 academic years; M.Sc. in Economic Development and Regional Planning for Abalgak Them)	7,990	
Air travel 195.000 x 2	390	
Tuition (2 years)	4,000	
Room & Lodging 150.000 x 24	3,600	

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<u>RESEARCH</u>	LS	21,000
1. Documentation Center	1,000	
Filing cabinets for data storage: 1000		
2. Economic Profile of BGR	5,000	
(Part I data collection from secondary sources (covers population; labor force according to sectoral employment and occupational classification; land use and crop options for grades of soil; water resources, mineral resources, infrastructure and income estimates). Travel and per diem: 5,000 Part II, Field Survey to close remaining, information gaps. To be scheduled in future planning periods.		
3. Analysis of the causes of past project failures. Purpose is to prevent repetition of past errors in future projects. Consultancy fees:	15,000	15,000
<u>MODEL PROJECTS</u>		
Self-Help Fund	100,000	
	Total	LS 169,799

ATTACHMENT I

A CHECK LIST OF COSTS

Investment Costs

- Fixed investment costs: Consider land, site preparation, utility connections, and fixed plant and equipment.
- Other investment costs: Preliminary studies, staff recruitment and training; establishing supply and marketing connections.
- Working capital: A fund needed to carry inventories of inputs waiting to be used in production and outputs not yet marketed. Accountants treat this as a necessary investment in the enterprise.

Recurrent Costs

- Raw materials and services: All variable material and service inputs.
- Manpower: Labor and staff costs.
- Maintenance: Cost of keeping equipment working.
- Overhead: Contractual obligations: rents, leases, and other fixed costs.
- Depreciation: An accounting allocation of a fraction of the original investment cost to each subsequent operating period so that the project is gradually written off and a replacement fund is accumulated.