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GOVERNMENT OF SOUTHERN SUDAN

FUNCTIONAL CAPACITY PRIORITIZATION STUDY

DECEMBER 3, 2009

This publication was produced for review by the United States Agency for International Development. It was prepared by Management Systems International.

GOVERNMENT OF SOUTHERN SUDAN

FUNCTIONAL CAPACITY PRIORITIZATION STUDY



A Subsidiary of Coffey International, Ltd.

Management Systems International

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600 Water Street, SW

Washington, DC 20024



Contract No. DFD-I-00-05-00251-00, Task Order No. 2

Project Title: Services under Program and Project Offices for Results Tracking (SUPPORT)

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ACRONYMS

ADB	African Development Bank
BIS	Bank of International Settlements
BOSS	Bank of Southern Sudan
CANS	Civil Authority of the New Sudan
CBOS	Central Bank of Sudan
CCSS	Coordinating Council of Southern States
CNPC	China National Petroleum Corporation
CPA	Comprehensive Peace Agreement
CSR	Civil Service Reform
CSC	Civil Service Commission
DAC	Development Assistance Committee
DFID	Department for International Development
EC	European Commission
FA	Functional Assistance
FMS	Financial Management System
GFS	Government Financial Statistics
GONU	Government of National Unity
GOSS	Government of Southern Sudan
HR	Human Resource
HRD	Human Resource Development
HRIS	Human Resource Information System
ICOSS	Interim Constitution of Southern Sudan
IFI	International Financial Institution
IMF	International Monetary Fund
INC	Interim National Constitution
ITP	Interim Training Plan
JAM	Joint Assessment Mission

JDT	Joint Donor Team
MDG	Millennium Development Goal
MDTF	Multi-Donor Trust Fund
MOLPSHRD	Ministry of Labor, Public Service and Human Resource Development
MOFEP	Ministry of Finance and Economic Planning
MOLACD	Ministry of Legal Affairs and Constitutional Development
MOTR	Ministry of Transport and Roads
MWRI	Ministry of Water Resources and Irrigation
NGO	Non-Governmental Organization
OD	Organizational Development
ODI	Overseas Development Institute
OECD	Organization for Economic Cooperation and Development
SPLA	Sudan People's Liberation Army
SPLM	Sudan People's Liberation Movement
SSCCSE	Southern Sudan Commission on Census, Statistics and Evaluation
SSLA	Southern Sudan Legislative Assembly
SSRRC	Southern Sudan Reconstruction and Rehabilitation Commission
SSP	Social Service Providers
SRRC	Sudan Reconstruction and Rehabilitation Commission
SWAp	Sector-Wide Approach
TA	Technical Assistance
TIDP	Training and Institutional Development Plan
TSST	Transition Support Systems Training
UN	United Nations
UNDP	United Nations Development Program
UNV	United Nations Volunteer
USAID	United States Agency for International Development
WSA	Wealth Sharing Agreement

I. EXECUTIVE SUMMARY

The Government of Southern Sudan (GOSS) emerged in 2005 at the signing of the Comprehensive Peace Agreement (CPA) with the Government of Sudan. Its “birthright” included a population ravaged by 50 years of war with only a ten-year hiatus, tribal and ethnic tension and large sections of the country which are cut off during the rainy season due to lack of infrastructure. The GOSS has made significant progress in the four years since the CPA. It faces elections in 2010 and a 2011 referendum to endorse its union with or independence from the rest of Sudan.

This study’s objective is to prioritize, within the realm of governance, the capacity enhancement necessary for Southern Sudan to be a stronger, more effective entity by 2011, regardless of the outcome of the referendum. In this study, priorities are determined by the GOSS, in light of best practices in post-conflict reconstruction. Although security is a critical dimension of any successful future, it was excluded as a study focus because it is not within USAID’s operational mandate.

Fieldwork for this study was conducted from mid-August to mid-September 2009 through the USAID Sudan Services Under Program and Project Offices for Results Tracking (SUPPORT) project, implemented by Management Systems International (MSI). Study team members included: Suzanne Bond Hinsz, Domenico Polloni, Ann Collins, George Smith III, Gerald Hyman and Louis Picard. Ken Menkhaus prepared an advance paper on state building in fragile and post conflict countries.

The study methodology included a literature review of over 200 papers coupled with interviews with more than 100 Southern Sudanese government officials from five states, representing civil servants ranging from chiefs to ministers. To complement the GOSS perspective, the team also consulted civil society, technical assistance providers and the donor community (all are listed in Annex III). The key themes emerging from this research are as follows:

1. Progress since 2005 is impressive given the GOSS starting point

GOSS progress since its 2005 inception is remarkable by any standard. In Juba, Southern Sudan’s capital, where there were only grass and trees, there now stand buildings and offices. Where there were absent or conflicting processes and organizational structures, the basic elements of a functioning bureaucracy are now starting to provide information and revenue flows between units and levels of government. Where military commanders issued orders, government leaders are beginning to manage and lead staff. This achievement is all the more impressive taken in the context of the near total lack of supporting basic physical infrastructure including roads, electricity and telecommunications.

2. Southern Sudan is fragile and security is paramount

There is little doubt that Southern Sudan’s security is fragile and will become more so in the run-up to the 2011 referendum. Security personnel note that there are players both internal and external to Southern Sudan who benefit from instability. For its own part, the government is constantly weighing decisions based upon maintaining precarious balances of power and interests rooted in ethnic division.

3. “We are balanced on the knife edge between hope and cynicism”

This sentiment, voiced by a Southern Sudan state government bureaucrat, crystallizes the challenge faced by Southern Sudan’s young government. While the CPA signing in 2005 ushered in outsized hopes for citizens, most fail to see a “peace dividend” in terms of schools, clinics or roads and their

daily struggles remain unchanged. This is exacerbated by poor communications infrastructure and little executive communication. In the absence of an effective GOSS message, rumor fills the void.

Additionally, leaders feel they have little control over GOSS resources. Officials find governance difficult given that the resource envelope coming from the Government of National Unity (GONU) is unknown and fortunes rise and fall with the price of oil. The revenue stream *from* Juba is similarly unpredictable, with state level bureaucrats reporting that they do not know when or how much money will be received. Lastly, it is clear that extra-budgetary spending carries on apace while the government lacks robust structures to stem the tide and faces political imperatives to keep irregular revenue streams flowing. The Juba Compact, an agreement between GOSS and development partners signed in the middle of 2009, is an attempt to limit corruption (both perceived and real) and strengthen accountability systems. Effective controls are urgently needed.

4. Political will is critical

Perhaps initiated by the grain scandal and fiscal crisis that precipitated the Juba Compact, a surprising finding is that state government officials want development partners to insist on transparency so that GOSS resources are not squandered. This may be a difficult position to take with the GOSS because incentives for compliance will undoubtedly compete with easy money from other sources (notably contracts with China) and compelling domestic politics. In the final analysis, transparency will be demanded not by development partners, but rather by a literate public that has access to a vibrant media. In the interim, it is in donor and GOSS long-term interests to be clear about transparency expectations and to insist on robust monitoring and implementation of agreements for both partners as outlined in the Juba Compact.

5. Funding is required for the long-term (20 years)

Post-conflict experiences of other countries makes a clear case that Southern Sudan will require assistance for decades. While Southern Sudan's capacity deficit suggests trusteeship is a possible solution, it is one utterly unacceptable to GOSS leaders. The capacity deficit is profound, particularly given the extraordinarily low literacy level (just 15% of the adult population), so it is necessary to develop human capacity; not just civil service capacity. Working to transform the current civil service will accomplish little unless today's youth, tomorrow's civil servants and citizenry, are educated as well.

6. The enormous capacity enhancement challenge is currently under-resourced

According to the literature, there is no other post-conflict reconstruction challenge in modern times that is on par with Southern Sudan. Other post-conflict reconstructions of similar magnitude have benefited from support to the civil service via 3,000-5,000 expatriates. By contrast, even four years into Southern Sudan's reconstruction, there are only 150 persons providing this kind of support to the government. The reconstruction effort needs to be urgently reconsidered and significantly bolstered.

Comparative intervention analysis

The study team investigated numerous post-conflict interventions to find best practices and lessons learned that might guide intervention in Southern Sudan. The most relevant interventions are below: Botswana, Mozambique and Timor-Leste. For a more thorough discussion of these reconstructions and others, please refer to Annex II.

TABLE 1 COMPARATIVE INTERVENTION ANALYSIS.

	Botswana	Mozambique	Timor-Leste	S Sudan
Year	1966	1987	2002	2005
Area sq km	281,730	799,380	14,874	640,000
Population	546,000	12,895,000 ('87)	953,000	8,200,000
Adult literacy	40%	28% (1982)	50% (2004)	15%
Governmental structures and experience	Administrative structures in place	Structures rebuilt on socialist models	Native administration only	Poor structures and processes, little experience
Infrastructure	Limited	3 large ports, 3 railways, 75% roads impassable during rains	70% destroyed	Very limited, much cut off during rains
Assistance Strength (pax)	3,000	5,000 by 1990; 1,000 remain	2,000 UN 1999-2002; 300 remain	150
Length of intervention	20-25 years	20-25 years, ongoing	Ongoing	TBD

Compared to other post-conflict environments, the Southern Sudan reconstruction is severely under-resourced. See Annex II for further details of these and other interventions.

When compared to the other post-conflict regions, Southern Sudan is substantially larger in geographic area (with the exception of Mozambique), has a greater illiteracy problem (even *within* the civil service), fewer governmental start-up structures, less infrastructure and the legacy of 40 years of war (from 1955-1972 and 1982-2005). Assistance provided to countries with deep reconstruction need includes:

- 1) **Technical assistance** provided for a few years or for discrete short assignments. TA provides expertise in areas such as law, public administration reform, policy and financial management.
- 2) **Functional assistance** provided for more than 10 years, with the role and number of external providers changing as in-country capacity improves. Assistance includes accountants, statisticians, lawyers and department staff working in particular jobs while mentoring and providing on the job training to counterparts.
- 3) **Social service providers** provided for more than 10 years, with role and number of external providers changing as in-country capacity improves *working within the government structure*. Providers include doctors, midwives, veterinarians, agricultural extension workers and teachers.

GOSS priorities

While the GOSS is not monolithic in perspective, there is broad concurrence across the GOSS in terms of capacity strengthening priorities. These priorities include (in order) security, resource management (human and financial), infrastructure, education, agriculture and food security, health and economic growth and diversification. While the questions asked of GOSS officials specifically concerned *capacity enhancement*, broader priorities crept into their answers.

Core areas for capacity enhancement

Based upon GOSS priorities, international best practices and findings from the project team, this study prioritizes executive leadership, financial resource management, human resource management, oil and land resource management and equitable social service access. This prioritization is highly-

focused around executive governance rather than legislative or judicial areas, which are also important.

Current capacity in key areas

A. Executive leadership:

Ministers report a lack of shared vision amongst leadership beyond the 2010 election and 2011 referendum and little ability to prioritize, strategize and implement. There are no advisors who can analyze and present options with cost, political and legal implications to leaders. The lack of strategic vision coupled with sub-optimal decision-making processes results in a weakened position vis-à-vis the North and diminished effectiveness of governance within the South.

B. Financial resource management

Budget: It is important to implement the Financial Management System (FMS) module to set aside funds for contract payment at the time of contract obligation in order to avoid over-commitment and extra-budgetary expenditures.

Tax: The Taxation Directorate within the Ministry of Finance and Economic Planning (MOFEP) has new responsibilities in line with the 2009 Taxation Act. Skills required include literacy, numeracy and computer literacy. Specialized tax TA is also needed.

Bank of Southern Sudan (BOSS): The relationship between the Central Bank of Sudan (CBOS) and the BOSS is that of a central bank and its branch. The BOSS has no standalone accounting system and is therefore helpless if the CBOS denies it server access. In addition to a redundant accounting system, the BOSS urgently requires capacity strengthening in currency operations, IT and general accounting.

Procurement: While reform is outlined in the Juba Compact, contractual obligations continue to be made outside GOSS regulations. There is urgent need for immediate development of legal framework such that staff can be trained regarding the relevant processes.

C. Natural Resource Management

Oil: The CPA is silent regarding what happens to oil revenue in 2011. There is urgent need for technical assistance to re-negotiate the Wealth Sharing Agreement regardless of the outcome of the referendum.

Land: It is important to survey and register urban land for economic development and to discourage corruption; however, there is no capacity for surveying and registration.

Human resource management: The legal framework for implementation of necessary human resource reforms is stalled despite a presidential directive to move forward. Even when passed, the Ministry of Labor, Public Service and Human Resource Development (MOLPSHRD) will have great difficulty implementing reforms because there are only a handful of skilled staff. The Civil Service Commission is similarly staffed, but the staff are highly motivated to perform. While noting current donor efforts to provide civil service training, the needs are still massive and efforts must be ramped up. A pension policy also needs to be determined

Equitable social service access: Other than teachers and schools, social service delivery is primarily provided by NGOs and the United Nations. The GOSS lacks capacity even to monitor and coordinate social service provision.

Possible donor responses

In the short-term (up to 2011), current technical assistance efforts need to be prioritized and strengthened but this is not a sustainable action in isolation. A holistic, long-term approach needs to be taken in which civil servants know *what* they are supposed to do (job descriptions are essential), are gradually trained *how* to do their jobs and have *incentive* to perform (performance management system and merit-based hiring). Technical coupled with functional assistance is a stronger long-term approach because the capacity gap is vast and will take a long time to bridge. While Functional and technical assistance will strengthen governmental performance, social service providers are also needed for the GOSS to build essential legitimacy with citizens and to develop capacity managing social service provision.

A long-term, holistic approach also considers the future labor pool. To that end, literacy and numeracy, English language and teacher training are essential; it is necessary to immediately jumpstart teacher training institutes and to broaden current efforts to educate the population via radio.

Three possible intervention scenarios are highlighted below. The “robust” response (inclusive of minimal and modest line items) is what is *needed* based on current capacity and other post-conflict reconstruction experience. The rough *annual* cost for ten years for each of these interventions is as follows: minimal (\$30 million), modest (\$250 million) and robust (\$370 million).

TABLE 2 POSSIBLE ASSISTANCE SCENARIOS

	Core	Future Workforce
Minimal	Provide technical assistance to core ¹ units at central level	Educate via radio Provide teacher training
Modest	Provide technical and functional assistance to state governments Initiate massive integrated civil service training program coupled with public administration reform Formalize rural land rights as needed to avoid conflict Link all levels of government through communication infrastructure	Build schools and provide teachers Build a civil service training institution Rehabilitate higher educational facilities and faculties ²
Robust	Provide FA to central level for all units Provide technical assistance to all non-core units Deploy social service providers ³ (with materials required to do their work) to counties	Build higher educational facilities and faculties

"Modest" adds additional strength to "Minimal" and "Robust" adds on to "Modest."

The robust response is what is needed for the GOSS to function effectively from today through 2011 and beyond. If funding a robust response is not possible, the modest or minimal responses may be considered. The cost estimations backing the overall numbers are provided in Annex IV.

Conclusion

There are no easy answers for Southern Sudan. The needs are ubiquitous, seemingly endless and profound. Within this network of need, however, there is evidence of extraordinary commitment on

¹ “Core” is as defined above: executive leadership, financial resource management, natural resource management (oil and land), human resource management and equitable social service access.

² This includes vocational and technical institutes as well as universities.

³ These include personnel such as teachers, doctors, midwives, veterinarians and agricultural extension workers.

the part of southern Sudan's leaders as well as room for great improvement in the lives of millions of citizens if government leaders and development partners can navigate a robust, long-term response. The number of expatriate and/or Diaspora assistants required is in the thousands and the time horizon needed for high performance capacity to be built is likely to reach 30 years. This study is a roadmap for prioritizing the government capacity strengthening aspect of these interventions.

II. INTRODUCTION AND OVERVIEW

I.1. THE SOCIAL AND POLITICAL LANDSCAPE

Southern Sudan has suffered from decades of underdevelopment, war, famine, drought and flood, resulting in the devastation of the region's economic, political and social structures. Fifteen percent of the adult population is literate. Prior to the signing of the Comprehensive Peace Agreement (CPA), there were said to be three surgeons serving Southern Sudan. There are only three marginally equipped referral hospitals in the territory. By the mid-1990s, non-governmental organizations (NGOs), faith-based organizations and international humanitarian relief agencies were the prime providers of an array of much needed health and related social services.

The Government of Southern Sudan (GOSS) emerged in 2005 at the signing of the Comprehensive Peace Agreement (CPA) with the Government of Sudan. Its "birthright" included a population ravaged by 50 years of war with only a ten-year hiatus, tribal and ethnic tension and large sections of the country cut off during the rainy season due to lack of infrastructure. It faces elections in 2010 and a 2011 referendum to endorse its union with or independence from the rest of Sudan.

Given the short time frame since its establishment, the GOSS has accomplished much in standing up its institutions. Ministries and commissions are now operating and there are structures at state, payam and boma levels as well (please see GOSS organogram in VI). In addition to organizational structures, policies and processes are developed. These were all created nearly from scratch, with buildings being built from the ground up. These feats were exceptionally difficult given the rudimentary electrical, water, roads and communications infrastructure.

While the progress is cause for celebration, political and administrative systems remain extremely fragile. As the President of Southern Sudan summarized at the Governors' Conference in August 2009, "we didn't know how hard it would be to govern." The GOSS struggles with the innumerable pressing issues common to post-conflict governments. It faces a dearth of effective legislative frameworks, an absence of human skills, organizational challenges and conflicting imperatives to address many of the issues it encounters.

The patronage-based and ethnic loyalties that permeate the public sector are a fundamental problem. There is a sense among GOSS officials that this situation is to be temporarily tolerated in order to maintain the precarious unity of the South ahead of the January 2011 referendum, but the consolidation of patronage networks raises fears of potential splits. While remedial measures are urgent to tackle corruption, comparisons with public sector reform efforts elsewhere suggest that building a rule-based and skilled civil service should be pursued in the three to five years that follow the referendum.

On June 30, 2009, the donor community and GOSS jointly entered into an agreement called the "Juba Compact." This agreement commits partners to "enhance fiscal responsibility, strengthen public finance management systems and accelerate private sector led development, inclusive of economic growth and poverty reduction." The agreement charted a path out of the financial crisis in which the GOSS found itself in early 2009. The crisis emerged from two sources. The first source was falling oil revenues, which, according to the Minister of Finance, account for 98% of GOSS

revenue. The budget was based upon a \$50/barrel price; however, the actual price in late 2008 and early 2009, as indicated in Figure 1, was below that mark. The second reason for the crisis was the extra-budgetary expenditure of more than 150% of Southern Sudan's 2009 budget on strategic grain reserve contracts. This demonstrates a profound lack of fiscal discipline.

FIGURE 1 WORLD OIL PRICES 2007-2009



Shows a long-term trend above the \$50 mark, but exceptionally low prices from approximately October 2008 to April 2009. Source: MOFEP presentation, August 2009.

TABLE 3 EXTRA BUDGETARY EXPENDITURE ON GRAIN CONTRACTS AS A PERCENTAGE OF TOTAL BUDGET

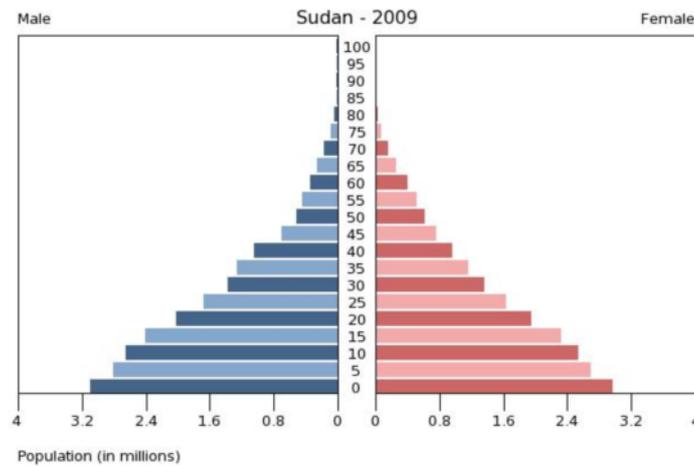
	Budget (SDG)	Contracts as % of budget
2008	5,500,000,000	113%
2009	3,600,000,000	174%

This represents an extraordinary lack of control and is indicative of uneven willingness to control extra-budgetary expenditure. Budget number source: MOFEP.

The Juba Compact is a reference point for GOSS and donor initiatives and serves as a firm foundation of agreement for the most critical areas of capacity enhancement.

Within Southern Sudan, physical security looms as *the* key issue more than four years after the formal end of the war. Not only is there a threat to the integrity of Southern Sudan from the North, according to sources working in the security sector, there are also centrifugal forces and internal threats to peace and security for both political and economic reasons. Further, it is worth bearing in mind Southern Sudan's basic demographics.

FIGURE 2 POPULATION PYRAMID FOR ALL OF SUDAN



Demographic distribution for North and South are very similar according to SSCSC. It is important for policymakers to consider this demographic. If the youth are harnessed for productivity, it can be a source of strength. If they remain un- or undereducated and lack prospects for jobs, they are a potentially destabilizing force. Source: US Census Bureau.

According to census data, 72% of the population is under 30 years of age and 50% is under 17. Leaders fret that this population bloc is increasingly unconnected to traditional authority structures and yet these cohorts are Southern Sudan's future. They lack education, jobs and may see future prospects as dim. They have grown up in a violent world where conflict is managed at gunpoint, and many are armed. The security issue is critical and leaders must bear in mind the demographics that can contribute to instability.

Southern Sudan's post-conflict reconstruction challenge is unprecedented in scope. A comparative analysis of other reconstruction interventions shows that the Southern Sudan reconstruction is critically under-resourced. While not every country in need finds its needs met by the international community, countries with less of a reconstruction challenge, including Mozambique and Botswana, benefitted from 3,000-5,000 expatriates who provided technical assistance functional assistance and social services while capacity was being built. In Southern Sudan, like other regions emerging from long-term conflict, there is simply no one qualified to perform many basic social services. For decades, there was little or no education provision so it is unsurprising that literacy is so low and skilled workers so few.

The challenge *within* the civil service is particularly stark. While robust statistics are lacking, in an interview, one Western Bahr el Ghazal ministry reported that after undergoing a payroll "cleansing" exercise intended to rid the payroll of workers not actually in existence or paid more than once, the total number of staff was reduced from 429 to 287. Of these, 168 (or nearly 60%) were illiterate. Southern Sudan is additionally constrained by the lack of a common language within the civil service.

The interdependence between ministries and units presents challenges in this context. While the study forces a prioritization for selecting areas to assist, when one area is weak, although non-core, it impacts core functions as well. The Ministry of Legal Affairs and Constitutional Development (MOLACD) is an example. While the study team does not consider the MOLACD "core" in the same way as the Ministry of Finance and Economic Planning (its operation is essential to GOSS viability), given the GOSS context, it is necessary to note its role and the need for action. The MOLACD has a tremendous amount of work to do in establishing the legal basis of GOSS institutions as it moves toward a self-determination vote. However, it is not staffed with the right skills to accomplish its mission. The only Sudanese law school is based in Khartoum and classes are

taught in Arabic. Staff graduating from this school have diminished effectiveness in dealing with legislation in English. Further, the requirement that all ministry-sponsored legislation be reviewed and approved by the MOLACD has led to a serious bottleneck in passing legislation crucial for reform of GOSS institutions, irrespective of any delay in the SSLA.

I.2. CHALLENGES FACED BY FRAGILE STATES

There is general agreement in the academic and policy literature that fragile states face all or several of the following interlocking challenges:

- Weak institutions and governance systems including lack of effective and inclusive political processes.
- Lack of incentives to function within the “rules of the game.”
- Political and administrative elites allocating resources based on nepotism, patronage and corruption.
- Lack of legitimate and credible government decision-making processes.
- Lack of state fiscal and administrative capacity and an inability to deliver social and productive services.

Central to the concept of state building is the idea that states and societal groups need to be able to contest and negotiate over priorities in the political arena. The capacity to find and sustain a durable political settlement is the *sine qua non* in building resilient statehood. Apart from the political settlement reflected in the CPA and the Interim Constitution of Southern Sudan (ICOSS), the ability of the state to carry out survival functions and deliver some degree of action on public expectations are building blocks for state resilience. Following from this, it is important to distinguish between *survival* functions that merely enable a state to exist from those that enable a state to be *legitimate* – namely, financial and natural resource management functions and social service delivery functions. While the GOSS has little capacity to directly engage in the full range of service delivery, key institutional capabilities must be systematically developed in order to gradually take on this responsibility.

This study focuses on how lack of state and administrative capacity can be addressed in organizational terms. Current practices within the civil service that essentially hire and reward a non-productive workforce rob both state and society of productivity.

I.3. STUDY NATURE AND METHODOLOGY

This study’s objective is to prioritize key areas for GOSS enhancement by the end of the transition period in 2011 and beyond. In this study, priorities are determined by the GOSS, in light of best practices in post-conflict reconstruction. Although security is a critical dimension of any successful future, it was excluded as a study focus because security is not within USAID’s operational mandate. While security is not a focus of the study, it is a factor in the analysis.

The study team travelled to four different states and interviewed over 150 individuals from within the GOSS, the donor community, civil society and technical assistance providers (please refer to Annex III). GOSS officials include ministers, commissioners, governors, mid-level and junior civil servants, county administrators and chiefs. The team conducted a literature review of over 200 documents. Since the analysis involved is qualitative rather than quantitative and requires an in-depth knowledge of governance patterns in Southern Sudan, the sampling of interview partners is non-random and guided by the intent to engage many categories of stakeholders. In terms of process, the team

checked understanding of GOSS priorities with seven members of the Council of Ministers and received feedback at that stage. Subsequently, the team presented draft findings to the development community and again with the Minister of Cabinet Affairs and received feedback. Later, the Team Leader gave presentations based upon the findings to several US audiences including the National Security Council, House Foreign Affairs Committee, Senate Foreign Relations Committee, State Department and USAID.

Fieldwork for this study was conducted from mid-August to mid-September 2009 through the USAID Sudan Services Under Program and Project Offices for Results Tracking (SUPPORT) project, implemented by Management Systems International (MSI). Study team members included:

- Suzanne Bond Hinsz, Team Leader and change management and organizational development expert.
- Domenico Polloni, institutional development and public sector governance specialist;
- Ann Collins, public administration professional.
- George Smith, III, United States Treasury Department Economist specializing in post-conflict banking sector reconstruction.
- Gerald Hyman, Senior Adviser and President of Hills Program on Governance, Center for Strategic and International Studies.
- Louis Picard, Professor, Graduate School of Public and International Affairs and Associate, African Studies Program, University Center for International Studies University of Pittsburgh.
- Ken Menkhaus, Professor of Political Science at Davidson College, participated by developing a succinct list of critical government functions and an explanation of why each function is critical, including examples from the fragile/failed states literature of best practices.

III. CURRENT GOVERNMENT CAPACITY IN SOUTHERN SUDAN

The study team has considered the functional areas of possible state action against the criteria of promoting effectiveness and promoting legitimacy and concluded that the areas most in need of attention are: 1) support functions, 2) revenue functions and 3) delivery functions. Taking into account GOSS priorities and information collected during interviews, the highest priority areas for action are executive leadership, managing financial resources, managing mineral resources and land, managing human resources and strengthening equitable social service access. The study explores each functional area in light of current and recommended capacity and identifies benchmarks for measuring progress in the short-term (present to 2011) and medium-term (2011-2015).

A. EXECUTIVE LEADERSHIP

Leaders across the GOSS must now adapt the military leadership skills developed leading combat troops into management and bureaucratic expertise needed to guide civilian government staff. The required skill set includes setting goals, managing and developing people and implementing change.

There is a strong need for executive leadership communication, as it would contribute to a great deal in terms of peace building and conflict prevention, spreading awareness of successes in governance, managing citizen expectations, and communicating desired citizen behavior (such as self-reliance, the importance of education and planting crops for one's family). The President can do this effectively through radio and, to a lesser extent, through television. A communication strategy that includes a weekly address as well as special communications, particularly when there are security incidents, will help to ward off rumor, reduce conflict, and inform citizens of government achievements and challenges.

A.1. Current functional capacity

The Office of the President, the Office of Cabinet Affairs and the Office of Presidential Affairs are the key ministries related to executive leadership and all suffer from a lack of high caliber expert advice common to most governments. As in other countries, these ministries require a pool of technical assistance for timely, robust decision-making. Key areas for technical advice include general law, legislative drafting, economics, speechwriting, financial management, constitutional law, strategic communications and political strategy.

The President has to perform in two challenging roles: one as President of the GOSS and the other as First Vice President of the GONU. Either job alone would be the challenge of a lifetime for a seasoned political leader. The stakes are high if performance or decision-making is sub-optimal.

In this incredibly difficult environment, however, the President stands without significant technical assistance to support ongoing negotiations over various issues, and to offer options-based analysis of critical matters related to constitutional law, general law, resource benefit negotiations, finance, economics, politics and strategic communications. The President lacks even a speechwriter to lessen his load. With advisors who can present option analyses with cost, political, economic and legal implications to leaders, leaders will be in a stronger position to make timely, wise decisions.

The lack of a communication strategy is a missed opportunity for leaders. It is critical, particularly in times marked by change and insecurity such as Southern Sudan is now facing, that citizens regularly hear from GOSS leadership and understand government decisions, actions and policies. In the communications-poor environment prevalent in Southern Sudan, citizen expectations and

imaginations are shaped by rumor rather than clear government information. It is both inexpensive and worthwhile for the President to be supported by a communication strategy that at least includes a weekly radio address.

TABLE 4 PERCENT OF HOUSEHOLD RADIO AND TELEVISION OWNERSHIP BY STATE

	Radio	TV
Jonglei	22.9	1.8
Upper Nile	25.6	1.2
Unity	12.3	0.3
Warrap	10.3	
N Bahr el Ghazal	6.8	0.2
W Bahr el Ghazal	12.5	1.1
Lakes	9.3	0.2
Western Equatoria	16.9	
Central Equatoria	38	2.7
Eastern Equatoria	14.2	0.6

Radio is a key avenue for executive leadership to communicate with citizens. Source: 5th Sudan population and housing census 2008.

Television and newspaper messaging would also be helpful. The messages to be conveyed should include those that:

- Communicate GOSS achievements.
- Set and manage citizen expectations.
- Assist in peace building and speak directly to any violent clashes.
- Communicate desired citizen behaviors (e.g. planting crops to support food security, self-reliance, literacy and cleaning up roads, schools and communities).

In a number of post-conflict countries, former presidents or other leaders with great social capital mentor the current president and/or cabinet for some time. In Rwanda, for example, Tony Blair met with Paul Kagame on several occasions to provide this kind of mentoring and also seconded some of his senior policy analysts to assist President Kagame with effective governance. This kind of approach may be helpful in Southern Sudan as well.

A.2. Recommended functional capacity

Senior leaders have not articulated a strategic vision externally beyond a general focus on the 2010 elections and 2011 referendum. The President and Cabinet need to express their broader vision of governance and how they can realistically implement it. A visit from someone capable of facilitating a visioning session with the executive leadership, with periodic follow-up, could be catalytic.

The GOSS should develop a strategic communications plan and follow it. Ideally, this communication is two-way, such that the President understands how the public is receiving messages. To support peace building, it is important that the President comments when there are incidents of insecurity in order to shape citizen thinking regarding the same. Additionally, the feedback received needs to be acted upon in shaping new messages.

If development partners were willing to provide the support, it would be extremely helpful to have a video link from Juba to Khartoum while the President fulfills his role as First Vice President within GONU.⁴ For the GOSS and its citizens to be well represented within the GONU, significant negotiations and lobbying need to take place. A video link may lessen some of the travel burden (required now on a weekly basis) to Khartoum by allowing him to participate via video link at times rather than travelling every week.

More critical would be the overall linking of counties, states and the center of government through effective communications technologies. This would have enormous benefits for the population and for the GOSS, including communication to and from executive leadership, early warning of security concerns and general communication of needs and information between levels of government that is currently largely absent. There are many stories of people suffering in counties because required medicines sit in state government warehouses – undispensed to counties because counties cannot communicate their needs. Such a communication infrastructure would be a tremendous boost to governance throughout the country.

A.3. Benchmarks to measure progress

Short-term (by 2011)

- A vision and strategic plan with implementation milestones developed.
- Technical assistance sourced and in place.
- A communication plan with clear roles and responsibilities within it completed.
- Communications plan implemented with two-way feedback such that the plan revised as per the feedback.

Medium-term (by 2015)

- Citizen satisfaction with government oversight and delivery of social services increased.
- Citizen satisfaction that leaders are appropriately managing security issues improved.
- Communication and function between levels of government improved.
- Functioning of ministerial offices improved.
- Implementation of goals increased.
- Decision-making processes improved.

B. MANAGING FINANCIAL RESOURCES

The 2002 Machakos Protocol established the primary economic rights and responsibilities of the GOSS. These were elaborated under Schedule B of the Wealth Sharing Agreement, signed about one year later, including: borrowing of money on the sole credit of the GOSS; development of financial resources for the GOSS and the Southern Sudan Budget and matters relating to taxation, royalties and economic planning, as specified in the WSA.

Chapter III (Wealth-Sharing Agreement) of the CPA charged the GONU, in cooperation with international organizations, to develop and implement a program for capacity enhancement in

⁴ It is the understanding of the study team that equipment has already been purchased.

Southern Sudan. According to the CPA, the highest priorities of this program should be "... public finance and intergovernmental relations, including expenditure management to ensure accountability." Reinforcing the strong role donor nations and organizations are expected to play, it further states that in agreeing to the WSA, "... the Parties signal to the international community that it will have to play a strong and constructive role in providing post-conflict construction/reconstruction assistance to Sudan, especially Southern Sudan."

As stipulated in the Interim Constitution of Southern Sudan, MOFEP is responsible for these areas in Southern Sudan. However, progress has been uneven. For example, the MOFEP and GOSS agencies formulate the annual budgets utilizing the relatively sophisticated activity-based budgeting methodology. However, many aspects of this process are dependent on external advisors and indigenous capacity has been slow to develop, although it is now undoubtedly doing so. In terms of generating financial resources, Southern Sudan is dangerously dependent on transfers from the GONU based on oil exports, which in 2008 represented 98% of government revenues. The 2009 Taxation Act recently enacted by the Southern Sudan Legislative Assembly (SSLA) for the first time provides a comprehensive legal framework for developing a system of tax administration in Southern Sudan. Building from this base, the GOSS can begin the long and difficult process of developing its non-oil sources of revenue. Finally, while Southern Sudan is empowered by the CPA to borrow money based on its own creditworthiness, it clearly does not have the credit standing to do so. However, ongoing technical assistance programs at the MOFEP are designed to assist Southern Sudan in eventually achieving a standard of financial governance that would allow it to qualify for grants and eventually loans from the International Monetary Fund (IMF) and World Bank. This would enable Southern Sudan to attract outside development funds using its own credit standing in a post-2011 referendum unification scenario, or on its own in a secession scenario.

Southern Sudan's contracting structure, from bid solicitation through contract award to ultimate payment, also needs attention. It functions as an interface between the procuring ministry, the MOLACD, and the MOFEP. However, possibly because procurement involves the coordination of different governmental units, the structural foundations of Southern Sudan's procurement systems are even less developed than its budgetary functions. Moreover, the World Bank has largely taken the lead in the development of procurement systems. This is due to the relationship between the Multi-Donor Trust Fund (MDTF) and the GOSS as well as the requirement that MDTF contracts adhere to World Bank procurement standards.

The World Bank is prepared to make resources available for the GOSS to utilize in improving its practices. However, their approach also emphasizes GOSS initiative in regard to procurement system improvements and this has resulted in bureaucratic paralysis. In a similar fashion, the African Development Bank (ADB) made funds available for the writing of a draft procurement law. However, this initiative also stalled because the GOSS was unable to procure consultants to do this work. While few would deny the importance of procurement reform in GOSS management of Southern Sudan's financial resources, the currently stalled progress has caused some to question GOSS commitment to reforming its procurement and contracting systems. Several development partners advocate instituting a more directed assistance program, arguing that having a pool of pending programs awaiting GOSS initiatives provides good cover for the politically-powerful both inside and outside of the GOSS to engage in possible corrupt practices.

A broad spectrum of the donor community is active in efforts to improve GOSS financial management, including the United Nations Development Program (UNDP) (budget formulation/state budget capacity), USAID (budget execution/revenue) and the World Bank/ADB (procurement and taxation). Taken as a whole, these efforts can do much to strengthen GOSS control over its financial resources and its ability to direct these resources to activities planned in the budget process.

However, there are justifiable criticisms that donor efforts will do little to solve the root problem: political forces (especially in the SPLM) over-riding financial controls and forcing extra-budgetary expenditures. As discussed above in the Introduction, the SDG 6.2 billion of strategic grain reserve contracts that circumvented the budget process conclusively demonstrate this. While no one would propose that upgraded MOFEP processes can totally address this issue, the situation can be improved by a combination of information technology (IT) and accounting system implementation, capacity enhancement and judiciously applied technical assistance, as follows:

- An accurate count of extra-budgetary payments, quantifying the extent of the problem.
- Upgraded procedures to increase the difficulty of making extra-budgetary contractual commitments and payments.
- Operational tools such as expenditure reports should be at the disposal of leaders who emerge able and powerful enough to address the political forces at work.

B.1. Budget operations

B.1.1 Current functional capacity

MOFEP budget operations are divided into two sections, each reporting through an Undersecretary to the Minister of Finance. One section, directed by the Second Undersecretary, is focused on budget and economic planning, including revenue estimation and budget formulation. The other, directed by the First Undersecretary, is focused on budget execution, including treasury functions, contract validation and disbursements. The approach to capacity development in these two areas has been fundamentally different, although successes have been recorded in both areas.

Initially, capacity enhancement in budget formulation was dispersed among a number of development partners, which proved dysfunctional. In 2007, work in this area was rationalized under UNDP. MOFEP requested that the Overseas Development Institute (ODI) in Britain supply economists to work within the ministry. This effort initially focused on MOFEP to perform line functions due to lack of counterparts within the ministry, but has gradually increased its emphasis on capacity building by working with newly hired staff. That stated, there is valid concern that the relatively complex budget process developed will require substantial support to sustain in the long-term. At issue is the move from a budget system stressing basic revenue and expense classification compliant with IMF-sponsored Government Financial Statistics (GFS), to one that incorporates activity-based budgeting. This adds additional complexity to both budget formulation and execution, as each system entry must now include an activity code and a classification code. This strains a budgetary system still in the process of digesting the move to new chart of accounts and expense coding, including requiring substantial modifications to the FreeBalance financial management system (FMS), as well as a major training program to provide budgeting officers in the spending ministries with the ability to formulate their budgets on an activity basis.

There is no question that activity-based budgeting represents international best practice or that if used properly, it is a valuable tool for ministries, parliamentarians and other leaders to better understand how funds are utilized. However, activity-based budgeting is only as good as the information input; many MOFEP officials and outside observers harbor doubts as to the quality of line ministry inputs to date. This issue, in turn, raises questions as to whether the benefits of the system justify the substantial effort of putting it in place. Certainly, the system will require substantial capacity building support in order to ensure that it is sustainable in the long-term.

While UNDP undertook budget formulation, USAID funded technical assistance for the Accounts Directorate, responsible for budget execution, and the Taxation Directorate, both of which report to the First Undersecretary. The foundation of their approach was implementation of a relatively simple

and user-friendly relational database, dubbed the financial management system (FMS), and ensuring that a pool of trained local staff is available to manage this system. Currently, out of a total staff of 23, eight are functional and only three are computer literate. At the same time, this approach incorporates steady, organic growth by expanding system capabilities through adding existing system-specific or newly-developed modules (revenue, cash position, payroll, etc.) and broadening its reach throughout the government, including improving system access by the spending ministries in Juba and the ten state governments.

Several system upgrades are needed, which can be put in place by using existing FreeBalance modules or by USAID-funded consultants who write their own code. The most critical of these is a module that would allow the Accounts Directorate to reserve funds at the time of contractual commitment, thereby creating a hard linkage between contractual obligations and funds availability. “Ring-fencing” the funding associated with contractual commitments will give the MOFEP a valuable weapon in its battle to keep ministerial spending within budget categories and amounts, which has been an issue with several ministries, including the Ministry of Transport and Roads (MOTR) and the Ministry of SPLA Affairs. In addition, two system add-ons, currently in a developmental phase, need to be transferred from Excel-based supplementary systems to coded modules permanently incorporated into the MOFEP’s FreeBalance system. These are the revenue systems that allow the Accounts Directorate to track revenues as they move through the system. Incorporation of revenue data has allowed the Accounts Directorate to develop a rudimentary cash management system, providing the MOFEP – for the first time – with the tool kit necessary to effectively manage its financial resources.

Currently, only the MOFEP has real-time access to budget data. While input from the spending ministries is received on a regular basis, data transmission is done physically, using CDs or thumb drives. This creates a situation where entries are being made twice, compounding the chance of error and wasting effort. Meanwhile, the spending units have to call the MOFEP for current data or reports. This slows the work of the Accounts Directorate while denying the spending units the benefit of real-time data.

B.1.2. Recommended functional capacity

While final resolution of this situation will require an improved Internet network in Juba, a positive intermediate step would be to create a ministerial data center on the grounds of the MOFEP (or sufficiently close that it could have a hard-wired connection into the FreeBalance server). This center would not have to be larger than a shipping container or two, but it could provide 10 – 12 terminals where finance staff from the spending units could directly enter their budgetary data as well as pull real-time reports. Optimally configured, the ministerial data center would have trained staff on duty that are able to maintain the system, answer questions and assist with data entry and report retrieval.

The anticipated roll-out of FMS to the states, beginning with the two state pilot programs in 2009/2010, will need to be carefully monitored. Undoubtedly, there will need to be modifications to existing programs to accommodate their needs. Issues related to transmission of budget data to the MOFEP are also likely to loom large. However, if the experiment is successful, there will be the need to procure the necessary data entry and systems equipment and train state finance personnel on the use of the system. These requirements must be factored into assistance program design in the upcoming years. Key recommendations are as follows:

- The consolidation of activity-based budgeting will require substantial capacity building so as to ensure that the budget is assembled entirely by MOFEP Planning and Budget staff and ministerial and state budget officers. Development partners must provide training to the SSLA as well on basic public financial management literacy and help them scrutinize the budget and other financial documentation.

- Implementation of an effective commitment control system eliminates extra-budgetary spending.
- Real-time GOSS cash position reporting integrated into FMS.
- Ministries enter FMS data electronically and reports available on real-time basis.
- FMS is fully implemented in all ten states.

Political peer mentoring should be tied to financial/economic issues as well. Using the convening power of development partners, senior current and former ministers of finance and central bank governors could speak directly to and build long-term relationships with GOSS Ministers on some of the financial control issues and sensible growth policies.

B.1.3. Benchmarks to measure progress

Short-term (by 2011)

- An activity-based budget assembled by MOFEP's Planning and Budget staff/continued assistance given ministries and states in chart of accounts and activity codes.
- Commitment control module in FMS developed and implemented, reserving funds at the time of contractual commitment.
- Informal revenue and cash systems integrated into FMS.
- Ministerial data center staffed with help desk created on MOFEP grounds.
- Training for FMS implementation conducted in ten states.

Medium-term (by 2015)

- Ministries and states capable of formulating activity-based budgets.
- Utilizing a commitment control system, unfunded contractual commitments and unauthorized spending on a spending unit and expense-category basis eliminated by MOFEP Accounts Directorate staff.
- Accounts Directorate staff fully-trained in system operation and cash management practices.
- Direct, real time access of MOFEP staff to FMS system through remote terminals obtained.
- Training completed and FMS operational in all ten states.

B.2. Revenue

B.2.1. Current functional capacity

The need to diversify GOSS revenues is clear: oil-related revenues were 98% of the SDG 6.8 billion in total revenue that GOSS recorded in 2008. GOSS recognizes the importance of creating new sources of revenue. One of the few pieces of financial legislation to emerge from the SSLA was the passage of the 2009 Taxation Act, the foundation of a tax administration system for Southern Sudan. Revenue diversification also has strong support in the donor community and the Juba Compact calls for "strengthening revenue administration and mobilizing greater non-oil revenues."

Southern Sudan's taxing authorities are unambiguous. As set forth in the Wealth-Sharing Agreement, chapter 6.2, the GOSS is entitled to raise revenue from 13 discrete sources, including raising and collecting the following taxes:

- Southern Sudan Personal Income Tax.
- Taxes and levies on small and medium business.
- Excise taxes on goods within the region deemed to be luxury consumables.

The Taxation Act is groundbreaking legislation that establishes a system of tax administration for Southern Sudan including a Directorate of Taxation in the MOFEP. It sets forth the framework for Southern Sudan's Personal Income Tax, Business Profits Tax and Excise Taxes. It is supportive of the principles of a functionally organized tax administration in which tax assessment and collection are separated and paves the way for use of self-assessment procedures. Although the banking system cannot currently support it, the Act opens the door to elimination of cash handling and substitution of the banking system in the tax payment process. In addition, the Act provides clear and definitive schedules of applicable personal income, business profits and excise tax rates.

B.2.2. Recommended functional capacity

The clear challenge for the MOFEP is to build on the momentum created by passage of the Act to reorganize and expand its Taxation Directorate to raise and collect the newly authorized taxes. This will involve creating five discrete activities within the directorate including returns processing, audit, collections and general accounting to record revenues and incorporate them within GOSS budget operations. The fifth area, taxpayer education, will be vital, as GOSS must undertake intensive efforts to help the population understand these new taxes, their utility from a service delivery perspective, and compliance with self-assessment procedures.

Effective taxation is not immune to the capacity issues that plague all modernization efforts in Southern Sudan. At the base level, the Taxation Directorate needs to improve the literacy and numeracy of its staff. Moreover, developing computer literacy is vital with the increased systemization of MOFEP operations. Just as important, the leadership of the five areas within the Taxation Directorate needs training to facilitate adoption of the new functional areas. This is best accomplished through a technical assistance program teaming experienced advisors with their counterparts.

B.2.3. Benchmarks to measure progress

Short-term (by 2011)

- Three new functional units created: Audit, Collections, and Taxpayer Services.
- Regulations for the 2009 Revenue Act approved and implemented.
- MOFEP personnel trained to implement new tax laws.
- Taxpayer manuals and technical guidance brochures written.

Medium-term (by 2015)

- Staff of all five units (Accounting, Audit, Collections, Returns Processing, Taxpayer Service) trained and performing as per their unit mandate.
- Unit procedure manuals written and approved.
- State personnel trained to implement new tax laws.

- Taxpayer service function established with reach into the states.

B.3. Procurement

B.3.1. Current functional capacity

Procurement reforms, including contracting regulations, are at the center of GOSS efforts to control government expenditures, reduce endemic corruption, ensure governmental accountability and achieve fiscal sustainability. However, reforms cannot be examined in isolation, as procurements require cooperative efforts between three parties: the initiating ministry which manages the procurement process, the MOLACD, which conducts contract review, and the MOFEP which executes payments according to contract terms. All three must approve a contract before payment can be made. The Juba Compact recognizes the importance of procurement reform, and stipulates that GOSS should ensure strict adherence to the Appropriations Act of 2009, freeze all new contracts including those relating to strategic food reserves, and put in place an effective commitment control and contract management system. Notwithstanding the progress made in developing effective and coherent procurement systems, contractual commitments continue to be made outside the GOSS procurement and budgetary regulations, which by their size and frequency make a mockery of commitment and financial control systems implemented to date.

The need for an effective and transparent procurement system was recognized from the outset. The Joint Assessment Mission (JAM), which operated from 2004 – 2005 and included the World Bank, the then Government of Southern Sudan and the SPLM, found that no public procurement system existed in Southern Sudan. As an interim measure, the JAM recommended that the GOSS procurement system be centrally managed within the MOFEP and the work contracted to an outside party, ultimately Crown Agents. Procurement represented one of several such arrangements that included government accounting and auditing as well. The GOSS contract with Crown Agents assigned them procurement operations for all government programs, including public works, goods and services in a manner that stressed transparency and accountability. In addition, the contract required Crown Agents to provide advisory services to GOSS and build the capacity of local staff. At the same time the centralized procurement capacity was being developed, GOSS recommended that line ministries establish their own procurement operations. To date, about five ministries have appointed Procurement Directors, and additional ministries have received short-term assistance.

At the outset of this experiment in contracting government services, stakeholders acknowledged the difficulty of the environment, including the lack of communication infrastructure, poor physical infrastructure, limited media for bid solicitations and the lack of goods suppliers and service contractors. However, while the accounting and audit experiments in outsourcing had successful elements, procurement outsourcing was unsuccessful. As evidence of this, knowledgeable sources have noted that only about a billion dollars of procurements have been managed through official procurement procedures while the GOSS budget for operating and capital expenditures (i.e., excluding salaries) exceeds \$700 million annually. It is clear that a substantial amount of procurement, particularly in the area of food and automobiles, is done directly by GOSS ministries, circumventing the approved procurement process.

A recent Organization for Economic Cooperation and Development (OECD) -mandated study of capacity enhancement in fragile states, “Bridging State Capacity Gaps in Situations of Fragility,” examined the failure of Southern Sudan’s procurement outsourcing program and has pointed to a lack of responsible procurement culture in the GOSS as well as limited understanding of the role the procurement agent would play in the process. According to the OECD report, there was limited understanding of the following at all levels of the GOSS:

- The importance of procurement functions.

- The procedures necessary to implement effective and transparent procurement.
- The roles and responsibilities of stakeholders in the procurement process.
- The time necessary to undertake a proper procurement (especially in the context of the funding source).

Given its centrality to financial management reform, arrangements for a system to replace the existing framework are surprisingly ad hoc. The World Bank is attempting to implement structures such as the ones used in the contract competition to replace Crown Agents. Indeed, those efforts were more successful and were better assimilated into the existing GOSS structure due to greater reliance on local staff and highly trained Diaspora. However, the contract competition has been delayed, and although parties do not want the Crown Agents contract to be renewed, it may have to be extended to fill the void.

At the same time, other procurement-related efforts seem disjointed and lacking urgency. An Acting Director has now been appointed to head the Southern Sudan General Auditor's office, but this remains underfunded, understaffed, homeless and generally unable to fulfill its role. While everyone involved sees the need for a national procurement law, this legislation has not even been produced in draft form for comment. The African Development Bank (ADB) has funds allocated for such use, but selection of a consultant is in the hands of the MOFEP and the two leading candidates have already turned down the potential assignment. USAID, provided technical assistance to draft a law, but most experts are calling this a more limited "contracts law" which is inadequate in its scope. Given its shortcomings, and the difficulty of getting any legislation through Ministry of Legal and Constitutional Development, the recommendation is to abandon this effort and start anew. Enactment of a comprehensive legislative framework for procurement is critical at this juncture. Currently, GOSS operates according to the Interim Public Procurement and Disposal Regulations, 2006, a series of outdated and sometimes inconsistent regulations cobbled together as a temporary measure, but which have now been in effect for four years. The lack of procurement legislation even holds back capacity enhancement efforts, as there is questionable value in training students in regulations likely to change in the next few years.

Going forward, the World Bank is commissioning a comprehensive study of procurement policy. This will lay out a framework for a move from a centralized concept to one in which procurement responsibilities are decentralized and performed by the line ministries and states. The approach is built on a long-term strategy in which the study would take a year and full implementation of the program five years. While laudable in its concept and scope, the World Bank's concept is widely criticized. Some argue that while decentralization is the ultimate goal, procurement must remain centralized until it is brought under better control. Those more cynical argue that a five-year reform program reliant on GOSS initiative is the perfect opportunity for corrupt forces within the government to continue to feed off state resources.

B.3.2. Recommended functional capacity

There needs to be a fully-fledged procurement system, based in law, in place both at GOSS and state level. MOFEP and state officials need to be able to use the procurement system effectively such that it is transparent and corruption resistant.

B.3.3. Benchmarks to measure progress

Short-term (by 2011)

- Crown Agents replaced as "outsourced" procurement agent.
- Capacity-building initiated for fully-staffed MOFEP procurement unit.

- The MOFEP (using ADB funding) consultant hired to draft a GOSS public procurement law.
- Law reviewed by ministries and put to the Southern Sudan Legislative Assembly for passage.
- If no other donor is willing to act more quickly, World Bank study of decentralized procurement system for Southern Sudan completed and adopted by GOSS.
- Training of GOSS and state government procurement staff initiated.

Medium-term (by 2015)

- MOFEP procurement unit fully-staffed and trained in procurement procedures mandated by the new public procurement law.
- The public procurement law is passed by the SSLA.
- Implementing regulations are drafted, reviewed by ministries and implemented.
- Ministerial and state procurement operations fully-staffed and trained in decentralized procurement operations.

B.4. Bank of Southern Sudan (BOSS)

B.4.1. Current functional capacity

It is difficult to conceptualize BOSS development without some view towards the January 2011 referendum on self-determination. Under the CPA, BOSS is relegated to the status of a branch of the Central Bank of Sudan (CBOS) whose primary responsibility is to serve as agent bank for GOSS, as well as to supervise banks operating in Southern Sudan. However, if the referendum vote is for secession, then BOSS will rapidly need to be transformed into the central bank for an emerging, independent Southern Sudan. There is a huge capability gap between performing as a branch and running a central bank, which makes it difficult to design programs or gauge the requisite level of effort. However, to some extent the low level of financial development in Southern Sudan makes decisions on the technical assistance effort easier. For example, one does not need to install a state of the art clearing system, when banks in Southern Sudan clear fewer than 50 checks a day. Manual systems may suffice in many cases.

B.4.2. Recommended functional capacity

A rational approach to this dilemma is to provide the technical assistance BOSS needs to prepare to operate as a central bank, but to delay the procurement of expensive IT and accounting systems until the referendum vote takes place. If BOSS were to become the central bank for an independent Southern Sudan, it would need help in three main areas: currency operations, financial and accounting, IT, and accounting systems as well as more generalized assistance. Currency operations preparation would start by deciding whether to replace the Sudanese Pound as Southern Sudan's currency, determining a currency regime (i.e., float, currency board, dollarization, etc.), conducting the market operations needed to put the policy into effect and managing BOSS foreign exchange reserves. This work is all technical assistance-intensive, requires extensive inputs from experienced central bankers, and should start immediately due to the time needed for absorption and the need to mobilize a diverse group of experts. However, the far more expensive process of designing, procuring and putting a new currency into circulation could wait until after the referendum vote.

BOSS also needs to begin planning for the financial systems it needs to put in place: SWIFT, money transfer, check clearing and a stand-alone accounting system. Procurement and build-out of these

systems could also await the referendum vote. The one exception to this is the accounting system, which should already be established on a redundant basis. BOSS is currently merely a client of an accounting system based on a server in the CBOS in Khartoum. BOSS would lose many of its accounting records and would be unable to record transactions if it were to be denied access to or delinked from this server for any reason. Finally, BOSS officials themselves can conduct the negotiations necessary to join the Bank of International Settlements (BIS) and, together with the MOFEP, work on Southern Sudan's membership in the International Financial Institutions (IFIs). However, technical assistance will be needed in the drafting of a Central Bank Law and development of an economic research capability. This should begin immediately.

In contrast to the MOFEP, BOSS leadership seems open to technical assistance but their principal comment on USAID-funded assistance to date is that the current level of effort (one advisor) is inadequate in light of BOSS needs. If assistance providers are prepared to risk capacity enhancement programs in an institution that will only know its destiny in a year, the need certainly exists within BOSS. Moreover, if the referendum vote favors unity, BOSS will need assistance re-negotiating portions of the Wealth-Sharing Agreement that have been shown to work poorly.

B.4.3. Benchmarks to measure progress

Short-term (by 2011)

- Central Bank Law drafted delineating BOSS responsibilities and powers.
- Funding mechanism established.
- Decision made whether to use SDG, USD or new currency.
- If the latter, new currency designed, printed, and circulated.
- Currency exchange and valuation policies decided.
- Direct SWIFT access established by BOSS.
- Ability to make electronic money transfers in Juba realized.
- Manual check clearing established in Juba.
- Accounting software and IT hardware necessary to build out central bank.
- Accounting system is specified by BOSS.
- Statistical unit established by BOSS.
- Utilizing technical assistance, decision made by BOSS as to which statistics to accumulate and data collection methodologies established.

Medium-term (by 2015)

- Central Bank Law is passed by the Southern Sudan Legislative Assembly and enacted.
- Currency market operations unit established.
- Deposit and money market operations initiated and interest rate policies established and put into effect.
- Juba money transfer hub connected with 10 state capitals.

- Automated check clearing enabled, including between Juba and the ten state capitals.
- BOSS accounting system procured and installed in Juba and branch locations/personnel trained in use.
- Money, banking and economic data collected and published.
- Public dissemination is made to GOSS, IMF-World Bank and public.

C. MANAGING MINERAL RESOURCES

C.1. Current functional capacity

Regardless of the outcome of the 2011 referendum, Southern Sudan will need to develop a framework for developing its mineral wealth, including petroleum, non-ferrous metals and other resources. Contingency planning for Southern Sudan's mineral development policies is analogous to those of BOSS development, in that the effort is vital if the country chooses independence, as 98% of GOSS revenues in 2008 came from petroleum. Since 2005, the WSA of the CPA has governed oil-sharing revenue between the GONU and the GOSS but is silent regarding what happens after the vote.

If the referendum vote is for unity, the GONU and the GOSS will need to negotiate new provisions in the WSA. While much might stay the same in a follow-on agreement, this would be the ideal opportunity to add provisions to improve transparency along the lines suggested by Global Witness report, "[Fuelling Mistrust: The need for transparency in Sudan's oil industry](http://www.globalwitness.org)". This report highlights discrepancies between GONU oil figures and China National Petroleum Corporation (CNPC) figures when the discrepancy benefits GONU. For the only oil block located in the North and not subject to revenue sharing, GONU and CNPC figures match. In addition, there needs to be greater disclosure of the costs and fees deducted from oil revenues, including provisions for outside audit. There also needs to be greater oversight of marketing operations, including regular publishing of export prices. While much of this work would have to be negotiated between the North and the South, and Norway's current capacity enhancement program (Oil for Development) is likely to play a central role, there will be a need for outside studies and advisory support. The Extractive Industries Transparency Initiative (EITI) may be another source for guidance and assistance because it verifies and publishes company payments to government for oil revenue.

The range of issues expands considerably if Southern Sudan is to establish sound policies for managing mineral wealth as an independent country. The principal issues include ownership of sub-surface minerals, who is allowed to exploit them, and how the GOSS extracts its revenue from mineral development. While economics lies at the heart of these decisions, other issues, such as political concerns, may also impact policy development. For example, some countries keep all petroleum resources for the government, and a national oil company manages all resource development. Countries who adopt this model frequently use a "service agreement" mechanism, where they pay international oil companies for their technical expertise on a per barrel basis. Others are prepared to cede ownership to international oil companies, but participate through production sharing agreements through which they are paid in the form of a share of the oil produced.

If independent, definition of GOSS mineral policies will be harder because, initially, there can be no clean break from the North. The only pipeline for crude oil delivery goes from Southern Sudan through the North to Port Sudan. Therefore, the North and South would have to cooperate in the post-independence environment, as the North needs the South's production, and the South needs

the North's access to markets. At a minimum, the two parties need to agree on pipeline transport fees.

C.2. Recommended functional capacity

Resolving such issues would be a complex process, and the international community would need to assist the GOSS in concluding fair and transparent contractual relations with the North in the post-referendum environment. With the North having dominated oil activity from the start, GOSS would need to build the capabilities of its Ministry of Energy and Mining to manage this process. Given its import, it would be prudent to begin the planning process immediately so the necessary work can be well in hand before a referendum vote. Waiting to start the process means that these issues will be determined against the backdrop of what could be an increasingly contentious political debate.

Recommendations are related to the sector rather than the ministry because they involve executive leadership decisions and items that need to be negotiated rather than the functional capacity of the ministry itself. The remit of the ministry is likely to be revised somewhat after the referendum regardless of the results in order to meet the demands of its new set of responsibilities.

C.3. Benchmarks to measure progress

All benchmarks are short-term (by 2011) because they vary on the basis of the referendum outcome

Technical assistance for assistance during negotiations secured, including issues surrounding:

- Improved transparency, including greater disclosure of the costs and fees deducted with respect to oil.
- Outside audit of oil revenues.
- Oversight of marketing operations, including regular publishing of oil export prices.
- Establishment of pipeline transport fees.
- Status of historical marketing contracts.
- Status of license agreements for oil blocks in Southern Sudan.

Technical assistance for assistance secured regarding development of policies arising from independence, including:

- Ownership and exploitation of sub-surface minerals.
- Modes of revenue generation from mineral development.
- Mode of any new exploration.
- Royalty and tax arrangements.

D. MANAGING LAND RESOURCES

Agriculture is bound to be the main source of non-oil revenue in Southern Sudan and the Juba Compact commits the GOSS to develop policies aimed at ensuring food security and agriculture-led growth. Secure and equitable access rights to land are a vital priority, as is sustained private investment in land.

Secure land access rights are central to economic growth. As shown by empirical research in very poor countries such as Ghana and Ethiopia, the protection against expropriation by the state, or by other individuals or communities, creates incentives for long-term investments in assets, such as planting trees, terracing or irrigation systems. The perception that land rights can be securely enjoyed and freely transferred promotes long-term investment because more productive farmers can secure additional land and thereby increases economic efficiency.

There is also evidence that communal land tenure systems do move spontaneously toward allowing individual members to transact within a larger market. Forcing change upon customary systems is unnecessary and historically has been contentious in Sudan. It may, however, be necessary to proactively engage with communities on particular rights that have an adverse effect on economic activity.⁵

In Southern Sudan, there is increased demand for urban and peri-urban land and there is an incentive to use eminent domain for expropriation with little public scrutiny on its public purpose and the enforcement of fair and prompt compensation arrangements. Government officials might take land even in vague anticipation of an upcoming development project or lease it to an outsider only to supplement government budgets in the short-term. Such concerns have been aired in a recent case regarding an Emirati company (see [The Economist, 9 July 2009](#)).

D.1. Current functional capacity

A land law has just been passed recognizing traditional rural land tenure rights along with individual rights and providing freedom to sell, lease or mortgage land, including to aliens. The law requires community consultation regarding transfer of rights. Expropriation may be ordered by the government for public purposes, subject to just and equitable compensation to be determined by a committee that includes representatives of the community concerned. A consultative process, supported by USAID, is ongoing in the ten states to familiarize the populations with the new legal framework and to collect views on a future land policy. The European Commission (EC) is supporting the development of a binding land regulation.

According to the law, land collectively or individually owned in Southern Sudan shall be demarcated, registered and given a title, but there is hardly any capacity to do so at the state level. Faith in the capacity of local authorities to effectively enforce traditional rural land rights significantly decreased during the war and conflict over rights has since escalated. The Peace and Conflict Mapping Exercise, undertaken as part of the USAID-funded Sudan Peace Fund (December 2002), identified 35 out of 60 conflicts where natural resource issues, including land tenure, access to grazing and fishing rights were contributing factors.

As for urban land, the current policy is that it should be surveyed and gazetted in its entirety, but there is a lack of trained human resources to do the work. Some urban centers are more advanced than others. It is feared that legally inappropriate selling of urban land for development has already taken place on an extensive scale over the past few years, especially in parts of Juba, Western Equatoria and Central Equatoria.

There is a link between use of non-oil natural resources and land tenure rights because investors interested in the commercial mineral exploitation will need to reach an agreement with communities

⁵ For example, redistribution of land left unused due to out-migration or local off-farm activities which proved to be a disincentive for farmers to engage in non-farming jobs in other countries, such as China.

having an entitlement to that land. Getting land policy right is key to the peaceful use of other natural resources.

D.2. Recommended functional capacity

Rural communities should be engaged on the substance of executing some of these rights as appropriate, (e.g. with a view to making them more gender-sensitive). At the moment, there is no capacity at the state level for an extensive release of rural land titles. Communities may not yet perceive that their land rights are secure enough to undertake productive investment on land. The reestablishment of reasonable security and functioning rule of law systems is key in this regard.

D.3. Benchmarks to measure progress

Short-term (by 2011)

- Land regulation completed.
- The land policy consultation process completed.
- The land regulations and the policy issued and disseminated.
- The Southern Sudan Land Commission branches in all the ten Southern states established.
- The Commission fully enabled, including if necessary roving officials, to carry out their functions of arbitration of land disputes and advice on land use.
- A contingent of land surveyors trained.
- Where the communities request land access rights to be registered, with a view to ensuring their stability, land demarcated and registered by trained land surveyors.
- The urban land survey and gazetting finalized in Juba, Wau and Malakal.

Medium-term (by 2015)

- The urban land survey and gazetting finalized in the other state capitals.
- A contingent of GOSS land surveyors trained to register and demarcate land upon community request.

E. MANAGING HUMAN RESOURCES

There is much uncertainty about the size of the GOSS public sector, but it is clear that once payroll is paid out, there is little revenue left. This is complicated by large number of “ghost” workers meaning non-registered employees and double- or triple-named workers. There are reports of high levels of patronage, corruption and fund misallocation. The past eighteen months have been marked by attempts to clear records, identify ghost workers and register and classify staff.

TABLE 5 BREAKDOWN OF PUBLIC SERVICE EMPLOYEES ON THE GOSS BUDGET

	2008 (est)	2008 (actual)			2009 (est)		
		GOSS	States	TOTAL	GOSS	States	TOTAL
Education	27,831	476	26,592	27,068	1,200	33,007	34,207
Health	2,291	2,946	330	3,276	2,271	6,720	8,991

Others:	12,348	6,154	770	6,924	10,702	1,799	12,501
19 commissions	2,179	1,744		1,744	1,989	252	2,241
two corporations	1,247	901		901	1,246		1,246
SSLA	540	556		556	618		618
other ministries	8,382	2,953	770	3,723	6,849	1,547	8,396
Subtotal (civil service)	42,470	9,576	27,692	37,268	14,173	41,526	55,699
Internal affairs	54,404	41,920		41,920	4,680	48,865	53,545
Wildlife services	13,150	12,994		12,994	3,035	11,687	14,722
Judiciary	2,035	2,035		2,035	2,035		2,035
Subtotal (organized forces and judiciary)	69,589	56,949	0	56,949	9,750	60,552	70,302
Grand total	112,059	66,525	27,692	94,217	23,923	102,078	126,001

Source: World Bank 2009.

The World Bank argues that, depending on the population census results, the GOSS employee ceiling should be between 35,000 and 45,000 people at the central government level exclusive of teachers, health workers and other extension personnel. While GOSS budget figures for 2008 suggest there is a notional civil service level of 23,938 people, payroll figures indicate that GOSS pays salaries to 66,525 workers. The evidence here suggests two things: first, the actual number of civil servants in GOSS and the states is uncertain. Second, while there is significant overpopulation of public sector employees at the national and state levels, it is not unmanageable as long as there is political will to undertake a complete and accurate public sector census.

More serious public sector challenges are related to skills and position classification. The civil service is comprised of large numbers of undocumented workers who have no position classification or other personnel information attached to them. Due to the fiscal crisis, there is a freeze on recruitment, but ministries report a lack of skilled workers to deliver services. There is a generalized feeling that there are good people outside of government, but ministries are unable or unwilling to recruit them.

E.1. Human resource (HR) policies and procedures

E1.1. Current functional capacity

Aside from several government documents and consultant reports, there are few human resource policies and procedures and little understanding of civil service roles and responsibilities. Most workers, including classified ones, do not have job descriptions or personnel files. This makes it difficult for supervisors to manage resources and workload appropriately. The GOSS human resources development function is in crisis and getting it right is vital to government effectiveness.

The MOLPSHRD is critical to capacity enhancement and needs strengthening. Despite several attempts by development partners, there are few skilled personnel administrators in place and though a new building exists to be used by MOLPSHRD, it is not yet in use because the minister has not yet opened it. Within the ministry, close to 50% of the nominal positions at the middle level (below director general) are vacant. While the mandate of the ministry is to promote institutional and human resource development, capacity strengthening and personnel administration, it has limited functional capabilities. Additionally, in order to manage properly, leaders across government need to be able to

manage their own staff. However, while there is formal authority to control, recruit, promote and dismiss staff, these decisions are often based on politics rather than ability.

Resources are squandered due to turf wars between ministries and commissions, lack of clarity regarding decentralization issues generally, process issues and communication flows from central to payam levels. Ongoing Multi-Donor Trust Fund-funded functional reviews of MOLPSHRD, four other key ministries (Health, Agriculture, Education and Finance) and two state governments may shed additional light on functional overlaps.

There is an overwhelming lack of capacity at even the senior levels of management. While there are some individuals with high skill levels at the upper- and upper-middle echelons of government, there are virtually no skilled staff at middle management and below in any unit of government. In each central and state ministry, there are between two and five senior staff that could, with some training, function effectively. Below that, capacity is extremely low. Many staff are new to working in an office setting and are unaware of what is expected of them. Basic literacy, numeracy and English language skills are lacking. Additionally, there is a great deal of apathy since people lack job descriptions and a frame of reference for understanding what is required of them. This apathy is fueled by the lack of a merit basis for hiring, firing and promotion. Large numbers of government officials were recruited directly out of the SPLA and appointed to positions as a reward for past support of the SPLA in the military struggle against the North. This is a normal pattern in post-conflict situations, but soon governments find they must operate at a more professional level.

Additionally there is a high number of staff at or near pension age and there is no approved pension policy. One estimate suggests that over 50% of the civil service may be over 45 years of age. The situation is complicated because the GONU must play a role in resolving the issue since there have been significant pension pay-ins to GONU by retirees and those about to retire. There are a number of proposals to deal with the pension issue, but it is currently unresolved.

It should also be noted that the government salary schedule, burdened by high numbers of staff, spreads limited salary funds until it is not possible to pay enough to retain skilled staff. GOSS must speed efforts to reduce its numbers and address the disparities between governmental and non-governmental salaries.

Human resource development is critical to public sector reform, but it is a 12-15 year process to reform a central government and build capacity at senior levels, assuming finances are available to establish and maintain it. The enormity of the challenge can be fully appreciated when one includes sub-national levels of government.

Some positive developments in this area are beginning to show progress. Much has already been done at the planning level in term of human resource development strategies, though government ownership is uneven. DFID, World Bank and other development partners are working on civil service reform through pooled funds. Thus far, this has included a series of studies, advocacy activities and functional reviews.

E.1.2. Recommended functional capacity

The fundamental issue with regard to human resource development is the need for recruitment to shift from a politicized process to one based on skills, education and training. For government to function, the civil service must clear its ranks of staff who are unable or unwilling to perform their jobs and training must be provided for those whose performance will benefit from training. Staff who cannot perform need to be let go, regardless of their service in the past. It may be culturally necessary to transfer war veterans out of the civil service and into civilian life in a way that recognizes their past sacrifice – but transition they must.

For the middle cadres of staff at all levels of government, jumpstarting basic functionality requires a significant injection of assistance. Interventions in other post-conflict countries needed thousands of staff and it appears that no other post-conflict reconstruction is as challenging as Southern Sudan's. Botswana required 3,000 foreigners and Mozambique required 5,000. These individuals provided necessary mid-level public administration (human resource management, accountancy, IT etc.) or technical skills. Building upon the United Nations Volunteers (UNV) model currently rolled out by UNDP, the study team suggests these could be English-speaking expatriates, preferably from the Diaspora, regional neighbors such as Kenya, Uganda and Ethiopia other African countries or nationalities from the southern hemisphere. These contracts should be long-term with a view to mentoring Southern Sudanese staff long enough to enable a smooth hand-back. This kind of long-term capacity enhancement program is essential given the deep skills deficit that defines the human capital landscape in Southern Sudan.

Former Botswana President Masire, as Minister of Finance, supervised the Botswana program from 1966 to 1980 when he became president. President Masire could possibly travel to Juba to brief senior GOSS officials on the Botswana approach.

The overall goal of public sector reform must be the development of a full-blown civil service (and public sector) reform process and implementation scheme, *not* a quick fix. This process is being defined by the World Bank as part of their analysis of the capacity gap within the GOSS and will include refined staffing plans, revised organization structures and address staff motivation issues. This reform is currently not expected to come into place until after January 2011.

E.1.3. Benchmarks to measure progress

Short-term (by 2011)

- A civil service census conducted including age, education and skills at GOSS, state, county and eventually payam level.
- A list of classified positions (an establishment register) created.
- A position classification directory created. This follows from the census and provides for the registration and confirmation of each fixed position in government.
- Job descriptions written with standardized job titles for all positions, including education and skills required for each position. This must include a practical system of identification cards for registered, permanent and pensionable civil servants.
- A comprehensive plan to bring in technical and functional assistance across ministries and states rolled out.

Medium-term (by 2015)

- An organizational analysis of all ministries, commissions and agencies conducted. This requires linking organograms, organizational responsibilities and job descriptions. This organizational analysis should define current and preferred organizational cultures with targeted change strategies.
- Verifiable payroll processes ensured. Many salaries are paid in cash without receipts and this urgently needs to change.
- Pension scheme enacted.

E.2. Civil service training function

E.2.1. Current functional capacity

Interviewees across GOSS report tremendous training needs of civil servants. Broadly, they report the following needs:

Basic level	Upper level	High level
English Numeracy Working in an office Writing letters Filling forms	Writing reports Monitoring and evaluating Work and project planning Writing a project proposal for funding Managing people	Transitioning to civilian leadership skills Working across organizational lines and levels Communicating Managing finances, people and projects Mentoring younger leaders

In general, there is recognition that training needs to be extremely basic and practical.

Currently there is no survey of potential training providers and their capacities. This is a necessary step in order to determine how training needs can be filled. A policy will then have to be developed to address the desired balance between the training responsibility of the MOLPSHRD, the home ministry, the University of Juba and the non-profit and private sectors.

While World Bank and JDT have funded a number of training-related studies, the GOSS lacks a comprehensive capacity building strategy. Within the training component of that strategy, there will need to be a training strategy for the. Three key human resource development documents, approved and adopted by government, should define and deepen an understanding of the training needs of GOSS over the next decade. These documents are:

- Transition Support Systems Training (TSST) document (due in August 2010).
- Interim Training Plan (ITP) for 2011-2014 (the first year overlaps with the TSST).
- Training and Institutional Development Plan (TIDP) for 2014-2018.

Training is currently ad hoc and this may continue for some time. Some of this, such as induction training, is proving moderately successful. Training needs assessments will have to be completed and harmonized such that it culminates in a transition support systems training document set for GOSS approval by August 2010.

E.2.2. Recommended functional capacity

The first step in development of a training program is the preparation of a training needs analysis approved by government. An interim mechanism will be needed to perform the training function until educational and training facilities are strengthened or put into place. Establishment of permanent training and capacity building institutions requires planning and that planning needs to begin immediately such that the institutions are ready when required. With technical assistance support, training can be provided by the Human Resources Unit of the MOLPSHRD while training institutions are readied. The training unit can serve as a bridging mechanism until external training institutions can be created. In the long-term, the Human Resources unit in MOLPSHRD will have a planning and management function.

For the medium-term, the training plan should include a training methodology that is suited to the existing organizational culture of GOSS. The training program should overlap with the third year of the transition support systems training document and be targeted strategically to facilitate organizational change GOSS leaders envision across government.

For the long-term, institutionalized training must be in place. In preparation, institutions need to be designed and professionals developed to staff these institutions. To that end, by 2015, GOSS should have an institutional development program in priority organizations focused on long-term benchmarks for public sector reform as agreed by the development community and GOSS. Long-term goals may include:

Establish a local undergraduate management program at the University of Juba.

- Selective international and overseas degree training in place.
- A part-time post-graduate Masters in Public Management program.
- Capacity enhancement responsibility shifting from the Training Unit of the MOLPSHRD to a newly developed institute of public management with ties to the University of Juba.
- Use of overseas graduate schools for some specialized programs.
- A Master in Public Administration program at the University of Juba.
- Long-term institutional twinning arrangements.
- An organizational methodology in place to evaluate GOSS training processes.
- An assessment of how training has impacted organizational performance.

E.2.3 Benchmarks to measure progress

Short-Term

- Inventory of all potential training service providers (including universities and institutes) within Southern Sudan and surrounding countries conducted.
- Policy to address the desired balance of training responsibility between MOLPSHRD, the home ministry, Southern Sudanese universities and institutes, the non-profit community and private sector developed.
- Completion of on-going or scheduled training completed.
- Assessment of training and capacity enhancement activities from 2008-2010 (this assessment should inform the transition support systems training document) conducted
- Interim HRD Unit developed in the MOLPSHRD to support MOLPHHRD and Civil Service Commission organizational development.

Medium-term (by 2015)

- Medium- and long-term training needs identified.
- Skills inventory and an organizational analysis of each ministry performed in order of priority.
- Policy approved for long-term capacity enhancement efforts.

- The interim training plan operationalized.

E.3. Pay and grading, performance management

E.3.1. Current functional capacity

The level and distribution of pay and benefits has a considerable effect on organizational efficiency as well as workforce morale and productivity. It is therefore vital that organizations develop pay systems that align personal incentives with organizational goals and reward workers fairly.

Introduced in the 2006 budget, the current pay scales gave a considerable pay raise in cash terms. The quality of the grading system has not yet been evaluated as such, but ministry budgets, spent almost exclusively to pay salaries, are now being allocated according to grades and staff are paid within those grades. When the new pay scales were introduced it was intended that there would be regular reviews, but these have not yet taken place. The draft Public Service Act details a new grading system and gives guidance on remuneration.

The stated policy for pay grades and promotion is the following: 1) staff are appointed at the bottom of the scale and increased incrementally based on performance and 2) formal appointment is a precondition for moving up the salary schedule. However, in practice, these policies are ignored. Even if there was an intention to follow such policies, the lack of job descriptions would continue to make good human resources practice challenging. The system is perceived as unfair and appears to be a key demotivating factor among staff.

E.3.2. Recommended functional capacity

Implementing these systems typically requires many years and a phased approach to reduce risk and help build capacity. Sustained top-level commitment and support is crucial in order to deal with inevitable attempts to manipulate the process and in order to maintain momentum.

In the short- to medium-term, the GOSS needs to strengthen its human performance management systems, such that performance expectations are clearer to staff and managers so organizational performance improves. It is acknowledged that performance assessment is difficult to implement even in countries where it is not a new concept. To begin the process though, job descriptions should be in place and managers should work with staff to develop work objectives so that both staff and managers know what is expected.

Pay and grading reform cannot and should not be implemented without supporting performance measurement and management frameworks because these are vital to ensure that pay and grading reforms can be applied fairly and consistently. As performance management becomes supported in policy and institutionalized culturally, the GOSS will be in a stronger position to implement full-scale pay and grading, though this may be far in the future.

E.3.3. Benchmarks to measure progress

Short-term (by 2011)

- Job descriptions developed.
- Staff knowledgeable about what they are expected to do, how and by when.
- Managers given the appropriate tools to manage staff.
- Performance management training rolled out.

Medium-term (by 2015)

- Pay and grading systems set in policy.
- Pay and grading systems enshrined in law.
- Staff paid fairly and equally for the job they do.

E.4. Strengthening the function of the Civil Service Commission

E.4.1. Current functional capacity

The Interim Constitution of Southern Sudan introduced the Civil Service Commission. It has an appeals and oversight role while the Minister of Labor, Public Services and Human Resource Development has the mandate for development and implementation of Human Resources policies and procedures. According to both the constitution and the draft Public Service Act, the role of the Civil Service Commission in Southern Sudan is to:

- Promote public service values.
- Investigate, monitor and evaluate personnel practices of the civil service.
- Ensure effective and efficient performance within the civil service.
- Advise all levels on personnel practices.
- Review terms and conditions of service and training.
- Guide and coordinate other commissions.
- Address any imbalance within the civil service.
- Hear grievances.
- Address any other function assigned to it by law.

While the Civil Service Commission has clear and reasonable mandates on paper, it does not function in practice. Situated in a dilapidated building, the Civil Service Commission's five commissioners are split across three directorates and approximately thirty-four staff, most of whom are unclassified. Commission staff understand their own capacity and highly value technical assistance and capacity enhancement. They also have well-considered ideas about what they need, how the Civil Service Commission should operate and how to set priorities. However, until the Public Service Act is passed their hands are tied. Additionally, the Civil Service Commission perceives a lack of support from the top and remains without authority to implement their mandate.

E.4.2. Recommended functional capacity

The Public Service Act needs to be approved by GOSS as soon as possible and the Civil Service Commission should be strengthened as a part of and in support of the public sector reform process. The Civil Service Commission requires support from senior officials and the authority required do its job. Further, there is confusion and some redundancy between the Civil Service Commission and the Minister of Labor, Public Services and Human Resource Development in terms of organizational mandate, so the Civil Service Commission needs clear guidelines regarding how it intersects with the MOLPSHRD and what its area of responsibility is.

Capacity development within the Civil Service Commission requires the support of a long-term advisor to work with the commission and short-term inputs for particular areas of expertise. Once capacity is developed within the Civil Service Commission, it should take over MOLPSHRD policy

review functions from the ministry and oversee public sector reform efforts. It is imperative that the Civil Service Commission, as a major policy body of the GOSS, has a key role within reform processes. Benchmarks should be within the context of the Joint Donor Team and World Bank supported public sector reform effort.

E.4.3. Benchmarks to measure progress

Short-term (by 2011)

- The Public Service Act passed and an implementable strategy developed for Civil Service Commission organizational development.

Medium-term (by 2015)

- Quality advice and guidance provided to ministers and staff across government in mandated areas.
- Ministries perceive that they are supported by the Civil Service Commission through the reform process.
- Systems put in place to monitor recruitment, promotion, dismissal, retirement and redundancy.

F. STRENGTHENING EQUITABLE SOCIAL SERVICE ACCESS

In most fragile states, service delivery is reliant on non-state actors, especially international NGOs, while the state lacks planning and programming capacity, let alone the capacity to implement programs in a predictable way and to monitor their quality and impact. In this situation, legitimacy does not accrue to the host government because government is not providing the service. The challenge is to lay the building blocks of a service delivery system that is economical, fully owned by government and likely to gradually scale up government capacity. Ideally, capacity is initially built to plan and to monitor and in the longer-term to directly implement service provision. The system bolsters shaky state legitimacy and increases incentive for donor alignment and harmonization. Without deliverables, there is scant purpose in government other than as a social welfare scheme for those employed by the government. There is some concern that political attention to social service delivery does not seem to be a high priority because the ministerial slots for health and education have been left to the National Congress Party, the junior partner in the power-sharing arrangement in Southern Sudan. GOSS will need to do more soon regarding social service provision because it is a key to establishing security and stability in nascent states generally and is part of the “peace dividend” expected by citizens.

F.1. Current functional capacity

The regulatory and policy frameworks as well as multi-year strategies appear to be reasonably well developed in the social and productive sectors due to substantial donor assistance in document preparation and analysis. However, these have not been fully disseminated to lower levels of government.

Planning is done to some extent in the states, but capacity to draft and to execute “costed” plans and budgets remains limited and GOSS budget allocations to states often fail to account for the state planning exercise. For example, a mismatch between conditional grants made by the Ministry of Education, Science and Technology (MOEST) and the number of teachers to be paid led some states to draw upon block grants for payment of salaries although block grants were initially meant for

operations only. Improvements in the state and county level budgeting are expected in 2010 since the new activity-based budget format has only started to be applied.

States have little functionality to directly deliver services and this remains the preserve of NGOs and UN agencies in critical areas such as health and rural water (in the last case through private contractors, most often hired by a few international agencies). Primary education is basically ensured by trained and untrained teachers paid by the government; all the other operational expenditures such as schoolbooks and capital investments are funded by development partners and implemented by non-state actors.

Monitoring and evaluation is hardly in existence. Even monitoring of the quality of outputs is a challenge due to lack of roads and transport, lack of technical skills required to oversee and manage contractors and lack of communication infrastructure between state and county officials. There are some databases in the education, water and health sectors and an Education Management Information System is being rolled out to the states. A constituency development fund is being used by Southern Sudan Legislative Assembly MPs to fund capital investments in their constituencies, but this is at times used with little regard to the sustainability of the investment (such as school facilities being built and then left unmanned and unequipped).

Productive system functions include irrigation, agriculture, horticulture, animal husbandry, roads and other infrastructure. As with social service, the regulatory and policy frameworks appear to be reasonably well developed, but there is little expenditure available beyond salaries, with the exception of interstate roads and some bridges. It is unclear which operations in the productive sectors are intended to occur at the state level. Capacity in planning and budgeting, delivery, monitoring and evaluation is lower in the productive sector than in social service; the state level remains significantly more underdeveloped than the national level.

GOSS lacks capacity to insist on particular quality standards for NGO work and sector-wide data collection systems need further development. These gaps lead to lesser quality services. The sector wide approach (SWAp) is only very slowly maturing and inter-ministerial mechanisms are limited. USAID appears to be the only donor moving towards a conscious effort to build the capacity of the GOSS to manage a sector-wide approach in the basic service sector (health, education and water).

The capacity of health workers, teachers, extension workers and others on state government payroll is low and English language skills are rare. Further, there are too few people available for even modest social service provision.

F.2. Recommended functional capacity

In time, GOSS and state governments will need to be able to do the following:

- Plan for, monitor and evaluate equitable delivery of basic social and productive services in each different sector (health, education, water, agriculture and livestock development and infrastructure).
- Determine the inputs and outputs government will provide and the ones that will be contracted out or supplied by non-state actors.
- Draw up budgets reflecting the plans, including any forthcoming donor support.
- Contract out required services and oversee the input and output quality.
- Coordinate the implementation of NGO programs and monitor the quality of the outputs, fully capturing project aid in the budget.

- Determine as appropriate and enforce any cost recovery or user fee arrangements.
- Run a basic information system to track overall service coverage.

In order to get social service provision started, GOSS requires technical assistance, functional assistance and social service providers. TA is being provided unevenly across sectors now at the GOSS and state levels. UNDP plans to add functional assistance and social service providers. This is absolutely critical to providing social service delivery.

Clear guidance regarding decentralization would assist social service delivery and it is a question in the political discussion in Southern Sudan to the extent that the President has dubbed 2009 “the year of decentralization” (*Sudan Tribune*, 10/10/08). The distribution of tasks and responsibilities is not entirely defined in the CPA and the ICOSS, but the principle of subsidiarity is a key interpretative criterion, meaning that service provision should be implemented as close to the communities as possible. The country is large, has little infrastructure and poor communications and the society is fractured along ethnic lines. It is unlikely any central government can effectively manage the whole range of local interests. On the other hand, according to a recent local governance assessment in Southern Sudan, the longer-term sustainability of county and sub-county governments as viable entities for service delivery remains unclear. As UNDP is implementing and advocating, working at the state level is the most effective way of jumpstarting planning and budgeting for service delivery.

Therefore, state governments, working with local governments as much as feasible, should carry the major responsibility for basic social service delivery, except when a critical mass may be required for the service to be kept functional (e.g. inter-state infrastructure, teacher training institutes serving two or more states, referral hospitals). GOSS should be responsible for setting social service policies, identification and dissemination of standards, managing information systems providing a basic statistical capability for monitoring and evaluation and developing an advanced applied research capability, either directly or through universities. It is critical that the GOSS clarifies what decentralization entails in terms of the day-to-day tasks to be carried out by central and sub-national tiers of government, as states show relative passivity.

Development partners should identify certain core social and productive functions that can demonstrate to the citizens that government can deliver services to its citizens. The Ministry of Water and Irrigation is poised to move towards service delivery programs. Water delivery already has significant technical support from USAID (with a \$16,000,000 fund). There is a USAID technical advisor in place who may be available to oversee a sustained effort. Water systems need to function at the nexus between social service delivery and production, as water is critical for both. Support for this sector can both move the GOSS towards the delivery of a critical product and can serve as a pilot for other productive sector ministries as part of a wider medium-term capacity enhancement strategy. One donor should consider taking the lead in mounting a sustained effort to support the Ministry of Water and Irrigation to begin to the process of sustained delivery and maintenance of rural water systems. The donor community may also wish to consider a similar function (in agriculture, roads or land management). Other development partners may wish to consider rural industrialization, micro-finance or other productive sectors.

Development partners may consider some form of budget support to states once readiness has been demonstrated. This can be an incentive for public administration reform implementation. Support might have to be ring-fenced in the initial phases, i.e. limited to the sector or sectors that are seen in that particular state as standing a better chance to perform well. Budgetary support might become a way of rewarding the best-performing states and within the states the best-performing sectors. A different fiduciary arrangement could be established for states in which instability, lack of political will, lack of planning and budgeting capacity and poorly enforced public financial management regulations discourage direct budget support. This general blueprint has to be rolled out flexibly

depending on the nature of the services to be delivered, their technical requirements and the degree of maturity concretely reached.

F.3. Benchmarks to measure progress

Short-term (by 2011)

- Decentralization responsibilities clarified between levels of government.
- Payroll cleansing process that is currently ongoing to free funds for social service delivery implementation completed.
- Large program of social service providers distributed throughout Southern Sudan implemented to provide basic social services.
- Large program of functional and technical assistance implemented to ensure state and local governments are in a position to operate.

Medium-term (by 2015)

- Social service delivery provision evaluated and monitored by state governments.
- In states demonstrating robust budget formulation and execution systems, budgets can be funded by development partners through a revamped pooled mechanism jointly managed with the GOSS and/or the states or through direct budget support.

IV: RECOMMENDATIONS FOR DONOR FUNDED CAPACITY ENHANCEMENT PROGRAMS

There is urgent need for extensive, long-term support to building GOSS capacity to govern in order to build a viable, sustainable state. As outlined in the Juba Compact, GOSS and development partners need to be clear about mutual expectations and performance. If political will is not robust on the part of GOSS, no amount of assistance provided from external players will lead to a viable, sustainable state. Assuming a motivated partnership, the key priority areas for support based upon the literature, interviews within Southern Sudan and study team experience is as follows: executive leadership, financial resource management, human resource management, oil and land resource management and equitable social service access. Throughout the study text, short-term (present to 2011) and medium-term (2011 to 2015) recommended capacity is indicated. In this section, the focus is on options related to the overall strength of the donor response.

Recommendations depend in part upon the total resources available for reconstruction and development. Based upon the literature and international best practice, the GOSS situation compels a robust, holistic and long-term approach. First, without sound decision-making and leadership, governance objectives will remain unclear, unarticulated and unmet. Second, basic HR policies and practices need to be enshrined in law and supported in practice. No amount of assistance will sustainably build capacity if basic human incentive for performance is not aligned with GOSS priorities. The more civil servant priorities are aligned with GOSS priorities, the more likely GOSS will achieve its objectives. Third, the study focuses on assisting GOSS to protect its financial resources and oil and land resources because without decent protection of the same, GOSS will never achieve viability. Fourth, without effective social service provision, government ultimately faces legitimacy failure. All of these are absolutely essential to avoid failure and to build sustainability; thus they are defined as core. Building a future workforce is also considered essential because capacity enhancement is not sustainable in this context without simultaneously building a pool of future civil servants. External funding must stop eventually, but without future workforce development, there can be no end to the need for assistance.

While the study breaks down possible donor responses into minimal, modest and robust approaches, the robust approach is the most appropriate based upon best practice internationally, carries the least risk of failure and while most expensive is least wasteful of resources. Technical assistance alone is expensive and does not sustainably build capacity thus must be carried on indefinitely or until all parties are exhausted by it. Technical assistance is necessary to build policy frameworks and provide non-existent competencies, but implementation still fails without trained functional capacity in middle-level civil servants. There are no advisable shortcuts. Further, even with technical and functional assistance, the government will not be seen by its citizens as legitimate without providing social services. Even if GOSS currently had capacity to monitor and evaluate social service provision, the service providers simply do not exist and citizens go without essential services. This cannot continue if GOSS is to achieve sustainability and cannot develop in the short- to medium-term. GOSS requires a holistic, long-term and robust donor response.

MINIMAL APPROACH

Since the objective of the study is to prioritize, a minimal response would be to provide technical assistance and functional assistance to core units at the central level of government, give special assistance to facilitate critical negotiations and invest in future workforce development via expanding radio-based learning targeting citizens and teachers and by providing more teacher training. Technical

assistance is currently being provided to core ministries, but needs to be expanded to the extent it can be absorbed and be bolstered by functional assistance. Suggested targets of this approach:

Executive leadership

- Technical assistance for visioning and strategic planning.
- Technical assistance from world-class experts/luminaries able to deal with specific issues such as giving advice regarding public administration reform, leading a country out of crisis and nation-building. Both the needs and the plan should be determined by Council of Ministers.
- Senior-level technical assistance – providing advice in areas such as law, finance, communication and economics needed by leadership to bolster negotiating and decision-making capacity.
- Middle-level technical assistance – longer-term advisors building capacity of the executive leadership group and middle-level staff supporting them in terms of law, finance and strategic communication.
- Functional assistance – long-term functional assistance to build middle-level cadre of staff.

Financial resources, oil and land

- Mixture of world-class technical assistance (for negotiations and/or separation issues) and functional assistance.

Human resources

- Mixture of technical and functional assistance.

Social service

- Mixture of technical and functional assistance to clarify decentralization issues for improved social service sectoral performance.

Future workforce

- One-time stock-taking of current and potential capacity enhancement providers across Southern Sudan and those available for possible twinning arrangements.
- Expanded radio programming focusing on developing English language, literacy and numeracy skills for citizens and civil servants.
- Expanded teacher training.
- Encouraging private enterprise development.

Approximate cost of such an approach: \$34 million annually for the next ten years. All funding numbers are provided in Annex IV.

MODEST APPROACH

A modest approach *augments* the above approach by adding the following components: necessary communication linkages between levels of government, technical and functional assistance at state level in core areas, functional assistance at state level to support social service provision and provide resources to deal with pension payout and public administration reform rollout. It assists future workforce development through adding teachers and teacher training, building primary and secondary schools and rehabilitating educational institute facilities and faculties that can provide training for civil servants. Additionally, it adds some resources for entrepreneurial skills training. Approximate annual cost for the next ten years: \$256 million.

Executive leadership

- Video linkage between Juba and Khartoum through 2011 to reduce travel demands on President due to his GONU role as First Vice President and arising due to negotiations.
- Communication infrastructure to link Juba, state and county levels of government.
- Support to SSCCSE as it provides data necessary for executive decision-making.

Financial resources, oil and land

- Mixture of technical and functional assistance at state level.
- Support for formalizing land rights to the extent necessary to avoid conflict.

Human resources

- Support necessary across government for full implementation of public administration reform and training to support it, including technical and functional assistance at central level to non-core ministries.
- Build civil service training institution.
- One-time pension pay off.

Social service

- Functional assistance support at state level within social service sectors.

Future workforce

- Social service providers in terms of teachers.
- Functional assistance for teacher training.
- Building primary and secondary schools.
- Rehabilitating higher education facilities and faculties.
- Entrepreneurial skills training.

ROBUST APPROACH

The robust response adds to the above by providing transportation to executive leadership to facilitate constituent visits as well as rapid response capability to emerging security issues. It supports strong social service provision by providing 5,000 social service providers and budget for tool kits for each one that enable the person to perform his/her job such as tools, medicines, books, syringes and other necessary equipment. In terms of land, it provides for roving land surveyors and registrars. It bolsters future workforce development by building and developing higher education institutions and their faculties. Annual cost for each of the next 10 years: \$373 million.

Executive leadership

- Transportation.

Financial resources, oil and land

- Support to surveyors and registrars.

Social service

- Approximately 5,000 social service providers, with toolkits to perform jobs, deployed across Southern Sudan.

Future workforce

- Build and develop higher education facilities and faculties.

While the study advocates a robust response, where difficult choices are necessary, the above breakdown is recommended.

V. CONCLUSION

The time is at hand for substantial scaling up of donor support to the GOSS. While the donor community knew the challenges that faced the nascent government back in 2005, it did not at that time significantly ramp up support. The government is now several years down the road and organizational structures and processes that could have been professionally designed from the outset are now developed with significant effort -- and not without a little overlap and ambiguity -- on the part of the GOSS. The number of ministries and commissions is much beyond the level sustainable by a lean, efficient public service of the kind required in Southern Sudan. Further, some bad habits have had a chance to take root in the absence of robust mechanisms to deter financial and human resource malfeasance. There is an opportunity for the GOSS and the donor community to now get it right -- or at least better -- for the citizens of Southern Sudan. It is clear that what is needed is a strategically targeted and coordinated assistance program to get the GOSS in a position to develop performance legitimacy with its citizens over time. It is hoped that there is political will both within the GOSS and the donor community to deliver to the citizens of Southern Sudan a viable government that becomes more capable and service-oriented with time.

ANNEX I

CAPACITY BUILDING MATRIX

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
Executive leadership			
<p>Lack of high caliber expert advice needed for timely, robust decision-making in areas such as law, economics, financial management and strategic communications</p> <p>Lack of communication strategy</p>	<p>Strategic vision and implementation strategy</p> <p>High caliber expert advice needed for timely, robust decision-making in areas such as law, economics, financial management and strategic communications</p> <p>Well run executive offices</p> <p>Strategic, two-way communication plan</p> <p>Video linkage between Juba and Khartoum while President fulfills role as GONU 1st VP</p> <p>Communication technology to link central, state and county levels of government</p> <p>Transport for rapid deployment to diffuse hostilities and to communicate GOSS message</p> <p>Technical assistance, including the use of notable leaders from other countries, should be utilized to mentor ministers</p>	<p>A vision and strategic plan with implementation milestones developed</p> <p>Technical and functional assistance sourced and in place</p> <p>A communication plan with clear roles and responsibilities within it completed</p> <p>Communications plan implemented with two-way feedback such that the plan is revised according to the feedback</p>	<p>High quality professionals</p> <p>Increased citizen satisfaction with government oversight and delivery of social services</p> <p>Improved satisfaction among citizens that leaders are managing security issues appropriately</p> <p>Improved communication and function between levels of government</p> <p>Well-functioning ministerial offices</p> <p>Improved implementation of goals</p> <p>Improved decision-making processes</p>
Financial resource management – budget			
<p>Activity-based budget assembled with substantial input from external advisors</p> <p>Extra-budgetary expenditures lead to overspending on a spending unit and</p>	<p>Activity-based budget assembled entirely by Ministry of Finance and Economic Planning (MOFEP) Planning and Budget staff, ministerial and state</p>	<p>MOFEP’s Planning and Budget staff assembles an activity-based budget</p> <p>Continued assistance, given to ministries and states in chart of</p>	<p>Ministries and states are capable of formulating activity-based budgets</p> <p>Utilizing commitment control system, MOFEP Accounts Directorate staff are</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
<p>expense category basis</p> <p>Revenue and cash monitored in separate informal IT systems</p> <p>Ministerial FMS entries transferred manually/AD staff pull reports on request</p> <p>Implementation of FMS is piloted in two states</p>	<p>budget officers</p> <p>Implementation of an effective commitment control system eliminates extra-budgetary spending</p> <p>Real-time GOSS cash position reporting integrated into FMS</p> <p>Ministries enter FMS data electronically / Reports available on real-time basis</p> <p>FMS is fully-implemented in all ten states</p>	<p>accounts and activity codes</p> <p>Development and implementation of a commitment control module into FMS that reserves funds at the time of contractual commitment</p> <p>Informal revenue and cash systems integrated into FMS</p> <p>Ministerial data center staffed with help desk created on MOFEP grounds</p> <p>Training for FMS implementation is being conducted in ten states</p>	<p>able to eliminate unfunded contractual commitments and unauthorized spending on a spending unit and expense category basis</p> <p>Accounts Directorate staff fully-trained in system operation and cash management practices</p> <p>Ministry finance staff have direct, real time access to FMS system through remote terminals</p> <p>Training completed and FMS is operational in all ten states</p>
Financial resource management – revenue			
<p>“Tax-based” organization</p> <p>Southern Sudan’s tax administration is disorganized and inconsistent</p> <p>MOFEP and state personnel largely untrained</p> <p>Neither the MOFEP nor the states have formal taxpayer service or educational programs</p>	<p>“Functionally-based” organization</p> <p>Southern Sudan establishes a consistent framework for tax administration based on the Revenue Act, 2009</p> <p>MOFEP and state personnel are trained in the “functionalized” tax architecture</p> <p>Taxpayer service and education programs functional in Juba and the states</p>	<p>Three new functional units created: Audit, Collections, and Taxpayer Services</p> <p>Implementing regulations for the Revenue Act, 2009 approved</p> <p>MOFEP personnel trained to implement new tax laws</p> <p>Taxpayer manuals and technical guidance brochures written</p>	<p>All five functional units (Accounting, Audit, Collections, Returns Processing, and Taxpayer Service) are functional with trained staff</p> <p>Functional unit “procedural manuals” written and approved</p> <p>State personnel trained to implement new tax laws</p> <p>Taxpayer service function established with reach into the states</p>
Financial resource management – Procurement			
<p>MOFEP procurement staff review about half of GOSS procurement volume</p> <p>Procurement function outsourced</p> <p>GOSS operates under Interim Public Procurement and Disposal Regulations, 2006</p> <p>World Bank study of GOSS</p>	<p>MOFEP staff operate a fully functional centralized procurement function</p> <p>A public procurement law and enabling regulations establish an effective operational framework for GOSS procurement</p> <p>GOSS procurement operations</p>	<p>Crown Agents replaced as “outsourced” procurement agent</p> <p>Capacity-building initiated for fully-staffed MOFEP procurement unit</p> <p>The MOFEP (using ADB funding) hires a consultant who drafts a GOSS public procurement law</p>	<p>MOFEP procurement unit fully-staffed and trained in procurement procedures mandated by the new public procurement law</p> <p>The public procurement law is passed by the SSLA</p> <p>Implementing regulations are drafted, reviewed by ministries and</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
procurement initiated to decentralize procurement	decentralized to ministries and states	Law is reviewed by ministries and put to the SSLA for passage World Bank study of decentralized procurement system for Southern Sudan completed and adopted by GOSS Training of GOSS and state government procurement staff initiated	implemented Ministerial and state procurement operations fully-staffed and trained in decentralized procurement operations
Financial resource management - Bank of Southern Sudan (BOSS)			
BOSS is a branch of the Central Bank of Sudan (CBOS) BOSS sources Sudanese Pounds from CBOS BOSS maintains modest foreign exchange accounts Minimal money transfers and check clearing done through CBOS BOSS is a client of the CBOS accounting system BOSS submits money and banking statistics from banks in South to CBOS	If referendum vote is for independence, BOSS becomes the fully-functional central bank for Southern Sudan If independent, BOSS manages Southern Sudan's currency (including potential dollarization) BOSS has full money transfer and check clearing operations BOSS has an installed fully functional central bank accounting system BOSS accumulates and publishes a full range of money, banking and economic statistics	Central Bank Law is drafted, delineating BOSS responsibilities and powers Funding mechanism established Decision made whether to use SDG, USD or new currency If the latter, design, print and circulate new currency Decide currency exchange and valuation policies BOSS establishes direct SWIFT access Electronic money transfers can be made in Juba Manual check clearing is done in Juba BOSS specifies accounting software and IT hardware necessary to build out central bank accounting system BOSS establishes a statistical unit Utilizing technical assistance, BOSS decides which statistics to accumulate and establishes data collection methodologies	Central Bank Law is passed by the SSLA and enacted Currency market operations unit established Deposit and money market operations initiated; interest rate polices established and put into effect Juba money transfer hub connected with 10 state capitals Automated check clearing enabled, including between Juba and the ten state capitals BOSS accounting system procured and installed in Juba and branch locations; personnel trained in use BOSS collects and publishes money, banking and economic data Data are disseminated to GOSS, IMF-World Bank and public
Managing mineral resources			

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
<p>GOSS oversight of oil revenues is done through participation in the joint technical committee for oil revenue distribution</p> <p>GOSS oil revenues are determined by the Wealth Sharing Agreement (WSA) of the CPA negotiated in 2005</p>	<p>GOSS has audited and independently verified oil production, revenue and production cost data for 2005–2011</p> <p>If independent, direct agreements with operating companies over production, operating costs, transport costs and sales</p> <p>If independent, minerals exploited under GOSS laws, including production and income taxes</p>	<p>Secure technical assistance for negotiations regarding:</p> <p>Improved transparency, including greater disclosure of the costs and fees deducted with respect to oil</p> <p>Outside audit of oil revenues</p> <p>Oversight of marketing operations, including regular publishing of oil export prices</p> <p>Establishment of pipeline transport fees</p> <p>Status of historical marketing contracts</p> <p>Status of license agreements for oil blocks in Southern Sudan</p> <p>Secure technical assistance for development of policies arising from independence, including:</p> <p>Ownership and exploitation of sub-surface minerals</p> <p>Modes of revenue generation from mineral development</p> <p>Mode of any new exploration</p> <p>Royalty and tax arrangements</p>	
Managing land resources			
<p>A land law has just been passed that recognizes traditional rural land tenure rights, provides extensive freedom to</p>	<p>Short- to medium-term:</p> <p>Complete consultations to finalize a land policy and clear land regulations,</p>	<p>Complete land regulation</p> <p>Complete the land policy consultation process</p>	<p>Finalization of the urban land survey and gazetting in the other state capitals</p> <p>A contingent of GOSS land surveyors</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
<p>sell, lease or mortgage land and requires the communities to be consulted on transfer of rights</p> <p>An ongoing consultative process, supported by USAID, familiarizes citizens with the new laws and collects views on future land policy</p> <p>The EC is supporting development of binding land regulation</p> <p>Land collectively or individually owned is supposed to be demarcated, registered and given a title; there is little capacity to do so at the state level</p> <p>Urban land policy states that land should be surveyed and gazetted; however, there is no capacity to do the work</p> <p>Juba is starting an urban development plan</p> <p>Experts fear inappropriate selling of urban land has already taken place on an extensive scale</p>	<p>especially as far as criteria for compensation are concerned</p> <p>Scale up surveying and registering capacity</p> <p>Register pastoral or other seasonal access rights as necessary to deflate conflict over shared livelihoods</p> <p>Complete urban land survey, starting from Juba and the other largest state capitals; complete the gazetting of land for urban development purposes</p> <p>Medium- to long-term:</p> <p>To undertake urban planning in all state capitals of Southern Sudan</p>	<p>Issuance and dissemination of the land regulations and policy</p> <p>Establishment of Southern Sudan Land Commission branches in all ten Southern states</p> <p>Fully enabling the commission (via roving officials, if necessary) to carry out its functions regarding arbitration of land disputes and advice on land use</p> <p>A contingent of trained land surveyors</p> <p>Demarcation and registration by trained land surveyors of areas where communities request land access rights to be registered (with a view of ensuring their stability)</p> <p>Finalization of the urban land survey and gazetting in Juba, Wau and Malakal</p>	<p>trained to register and demarcate land upon community request</p>
Human resource management – general and HR policies and procedures			
<p>Human Resources is in crisis and critical to GOSS operations</p> <p>Professionalization of HR is undermined by nepotism and patronage-based decision-making</p> <p>Much work has been done by technical assistance, but has not been taken forward by GOSS</p> <p>Political disagreements delay approval of the Public Service Act</p>	<p>Serious commitment from GOSS and donors to support development in HR areas</p> <p>The Public Service Act should be approved and implemented with leadership commitment</p> <p>Work on reform should begin immediately with the recognition that it is difficult and long-term</p> <p>Establishment register</p>	<p>HR development strategy in place by June 2010</p> <p>Public Service Act approved by December 2010</p> <p>A civil service census conducted including age, education and skills at GOSS, state, county and eventually payam level</p> <p>A list of classified positions (an establishment register) created</p>	<p>An organizational analysis of all ministries, commissions and agencies conducted. This requires linking organograms, organizational responsibilities and job descriptions. This organizational analysis should define current and preferred organizational cultures with targeted change strategies.</p> <p>Verifiable payroll processes ensured;</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
<p>Managers lack the skills to manage</p> <p>Review of structures, refining staffing plans and organizational structures is not expected to come into place until after 2011</p> <p>Minister of Labor, Public Services and Human Resource Development (MOLPSHRD) lacks skills to perform the task ahead</p> <p>There are many ghost workers in the system</p> <p>A payroll cleansing process is ongoing but incomplete</p> <p>A large number of staff are approaching pension age and the pension policy is not clear although work is being carried out in that area</p> <p>There is a HRIS project in place in MOLPSHRD</p>	<p>Position classification register</p> <p>Job descriptions developed for all positions</p> <p>Organizational analysis of all units beginning with MOLPSHRD to ensure they are “fit for purpose”</p> <p>Verify payroll processes</p> <p>Integrated capacity building program, which integrates basic educational programs with integrated pre- and in-service training</p> <p>Pension policy agreed upon and implemented</p> <p>MOLPSHRD able to implement, operate and sustain Human Resource systems</p>	<p>A position classification directory created; this follows from the census and provides for the registration and confirmation of each fixed position in government</p> <p>Job descriptions written with standardized job titles for all positions which include education and skills required for each position. This must include a practical system of identification cards for registered, permanent and pensionable civil servants.</p> <p>Roll out of a massive plan to bring in technical and functional assistance across ministries and states</p>	<p>many salaries are paid in cash without receipts and this urgently needs to change</p> <p>Pension scheme enacted</p>
Human resource management – civil service training function			
<p>The baseline is extremely low across the civil service and there are training needs at the most basic level</p> <p>Basic training is in place but is not assessment based; it is limited and ad hoc</p> <p>A training strategy for MOLPSHRD needs to be seen in line with the broader capacity building strategy for GOSS</p> <p>No survey of potential training providers</p> <p>Lack of training institutions and only a</p>	<p>All staff should have the basic skills to perform their roles</p> <p>A training needs analysis is required to ensure training is targeting needs</p> <p>Advisors are in needed in MOLPSHRD to advise on:</p> <p>Organizational development and policy</p> <p>Provide on the job training</p> <p>Provide functional assistance</p> <p>Development of training function within MOLPSHRD to act as a bridging mechanism until the training institutions</p>	<p>Inventory of all potential training service providers within Southern Sudan and surrounding countries</p> <p>Policy to address the desired balance of training responsibility between service providers</p> <p>Completion of on-going or scheduled training</p> <p>Assessment of training and capacity building activities from 2008-2010</p> <p>Interim HRD Unit developed in the MOLPSHRD to support MOLPSHRD</p>	<p>Medium- and long-term training needs identified</p> <p>Skills inventory and an organizational analysis of each ministry performed in order of priority</p> <p>Policy approved for long-term capacity building efforts</p> <p>Operationalize the Interim Training Plan</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
small capacity building unit in MOLPSHRD	are developed	and CSC OD	
Human resource management – pay and grading, performance management			
<p>Pay system introduced in 2006 which, in cash terms, gave a considerable increase</p> <p>Staff are expected to be appointed at the bottom of the scale and given increments based on performance; however, staff are hired in at more senior levels and promotion is not merit-based</p> <p>A review of the system has not taken place but the Public Service Act suggests a streamline of the system</p> <p>No performance management system in place</p> <p>Staff do not know what is expected of them</p> <p>Managers are not able to manage</p> <p>Systems and tools to support the processes are not being implemented</p>	<p>A review and streamlining of the pay system should take place and would support a full pay and grading review at a later date</p> <p>It is too early for a full performance management system to be in place</p> <p>Once job descriptions are developed, staff should be given aims and objectives</p>	<p>Job descriptions in place</p> <p>Staff know what they are expected to do, how and by when</p> <p>Managers have the appropriate tools to manage staff</p> <p>Performance management training rolled out</p>	<p>Pay and grading systems are set in policy</p> <p>Pay and grading systems are enshrined in law</p> <p>Staff are paid fairly and equally for the job they do</p>
Human resource management – Civil Service Commission (CSC)			
<p>The commissioners are willing partners with many ideas of what they need and/or would like to do</p> <p>The staff are realistic in what they can do right now and what they need but have little capacity and no authority to proceed</p>	<p>The CSC should be strengthened to support the public sector reform process</p> <p>Support and authority to act</p> <p>Public Service Act needs to be approved by GOSS as soon as possible</p> <p>Clear mandate</p> <p>Ability to carry out policy review functions</p>	<p>The Public Service Act passed and an implementable strategy developed for CSC organizational development</p>	<p>Quality advice and guidance provided to ministers and staff across government in mandated areas</p> <p>Ministries perceive that they are supported by the CSC through the reform process</p> <p>Systems are in place to monitor recruitment, promotion, dismissal,</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
	Supervise and oversee the Public Sector Reform efforts		retirement and redundancy
Strengthening equitable social service access			
<p>Human development indicators in Southern Sudan are still the worst in the world</p> <p>High-level political attention to service delivery does not seem to be consistent</p> <p>States and local governments are unsure about responsibility and authority to operate in a decentralized environment</p> <p>Regulatory and policy frameworks and multi-year strategies are well developed</p> <p>Little expenditure available beyond salaries</p> <p>States have little functionality to directly deliver services</p> <p>States have little capacity to actively coordinate NGOs or to manage contractors</p> <p>Monitoring and evaluation hardly exists</p> <p>There are some databases built over the years by UNICEF in the water and health sectors</p> <p>A reliable Education Management Information System is being rolled out to the states and the education sector is more developed than others</p> <p>USAID is making an effort to build the capacity of the states to gradually evolve towards sector-wide approaches in the basic service sector; UNDP is</p>	<p>Plan for, monitor and evaluate equitable delivery of basic social services</p> <p>Determine the inputs and outputs government will provide, contract out or be supplied by non-state actors</p> <p>Draw up budgets reflecting the plans, including any forthcoming donor support</p> <p>Contract out required services and oversee the input and output quality</p> <p>Coordinate the implementation of NGO programs and monitor the quality of the outputs, fully capturing project aid in the budget</p> <p>Determine and enforce any cost recovery or user fee arrangements as appropriate</p> <p>Decentralization clarified</p> <p>Stable pipelines are in existence</p> <p>Run a basic information system to track overall service coverage</p>	<p>Clarify decentralization responsibilities between levels of government</p> <p>Complete the payroll cleansing process that is currently ongoing to free funds for social service delivery implementation</p> <p>Implement a large program of Social Service Providers distributed throughout Southern Sudan to provide basic social services</p> <p>Implement a large program of functional and technical assistance to ensure state and local governments are in a position to operate</p> <p>NGO projects are captured on the state budgets</p> <p>States have basic M&E systems in place and feed data back to the Southern Sudan Commission on Census, Statistics and Evaluation</p>	<p>State government can monitor and evaluate social service delivery provision</p> <p>When budgeting formulation and execution systems at the state level are robust, donors could choose to fund ready state government budgets through a revamped pooled mechanism jointly managed with the GOSS and/or the states or through direct budget support to at least some of the states</p>

Current capacity	Required capacity	Desired capacity by 2011	Desired capacity by 2015
deploying long-term planning advisers to the ten Southern states and will deploy ten more UN Volunteers (UNV) per state, embedded in the state government structure			

ANNEX II

BEST PRACTICES IN CAPACITY BUILDING AND ORGANIZATIONAL DEVELOPMENT IN POST-CONFLICT AND DEVELOPING COUNTRIES

Context	Size of capacity building effort	Capacity building approach	Lessons learned
Resource-heavy capacity building in post-conflict interventions			
Cambodia			
<p>Cambodia ranks 136th out of 179 countries in UNDP’s Human Development Index, with 75.6% adult literacy rate and 29% of the population living in poverty, despite intense growth in the last five years.</p> <p>The Khmer Rouge killed several hundred thousand and the country continues to deal with the effects of conflict.</p> <p>The country’s social support services and infrastructure were destroyed and its human resources severely depleted.</p> <p>There is very low capacity in general and large numbers of civil servants are reaching pensionable age.</p> <p>This presents challenges to national development efforts, human security, economic development and stability.</p>	<p>In 2002, a peak expenditure of 115.3 million dollars was reported.</p> <p>This expenditure was mainly on international personnel to support program implementation.</p>	<p>Comprehensive study to provide an assessment of needs and capacity gaps.</p> <p>Used international experts to fill existing gaps but also to transfer expertise to counterparts.</p> <p>Most training was short-term and in the form of workshops.</p> <p>Training institutes were set up for three broad bands of civil servants.</p> <p>Efforts were focused on mid-level staff to replace those at the top.</p>	<p>Significantly improving capacity takes decades.</p> <p>There needs to be an acceptable salary regime.</p> <p>There needs to be a change partnership between government and donors.</p> <p>Human resource units must be built up to support reform.</p> <p>There need to be demand- driven criteria.</p>
Liberia			
<p>Liberia ranks fourth to last in UNDP’s Human Development Index (HDI), followed by DRC, CAR and Sierra Leone. The literacy rate stands at 54%</p>	<p>In the last few years, the Liberian capacity building landscape has been characterized by several interlocking components.</p>	<p>The GEMAP exercise has been and still is contentious. President Ellen Johnson Sirleaf vowed in her inaugural speech to “render GEMAP non-applicable in a</p>	<p>Prioritizing is crucial in a post-war environment in order to avoid dispersal of efforts and inflated expectations.</p> <p>On the other hand, the list of priorities</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
<p>and an estimated 41% of the population lives in poverty.</p> <p>Traditionally, Liberia has been dominated by the Americo-Liberians, the former slaves that migrated in the early 1800s and formed a state that suppressed the rights of the indigenous population. The 1980 coup is regarded as the end of oligarchic rule but it also introduced a succession of military coups, civil wars and corrupt dictatorships that only ended in 2003 with the Accra peace agreement and elections in 2005.</p> <p>Out of a total population of over 3 million, up to 250,000 lives were lost in the last civil war.</p>	<p>One of them is the United Nations Mission in Liberia (UNMIL), which started in 2003 as a result of revamping a previous ECOWAS force. It peaked at 15,000. UNMIL’s strength as of 31 July 2009 is 11,511 total uniformed personnel including 10,052 troops and 135 military observers, 1,324 police, 476 international civilian personnel, 975 local staff and 216 UN Volunteers.</p> <p>Another component is the security sector reform program funded by the US and implemented by a private contractor. It aims to train a 2,000-strong Armed Forces of Liberia (AFL).</p> <p>The last is GEMAP (Governance and Economic Management Assistance Program) signed in September 2005. This targets revenue collection, expenditure controls and government procurement and concession practices. Its key feature is the provision for international experts with co-signing authority. Exit from GEMAP is conditional upon Liberia’s attainment of the completion point of the Enhanced Highly Indebted Poor Countries (HIPC) initiative.</p>	<p>reasonable period of time.”</p> <p>It appears GEMAP did achieve its objectives of establishing transparent and accountable procedures for concessions, improving effectiveness, transparency and accountability of financial management in state-owned enterprises, improving in the external audit process and securing and stabilizing expenditure management at the Ministry of Finance. It would not appear that the impact has been as significant in the central banking and revenue collection functions.</p> <p>It is not clear to what extent the joint signature arrangement has entailed effective capacity building, both in terms of genuinely addressing the gaps identified and developing standard procedures. It would appear this has depended to a large extent on the quality of the concerned GEMAP adviser.</p> <p>In the long-term, there is a need for de-concentration and for planning significant capacity building assistance on financial management within the financial departments of key ministries.</p> <p>An innovative component of post-war reconstruction in Liberia has been the application by the UN and the World Bank of a Transition Results Matrix, launched in February 2004. The rationale was to orient the international</p>	<p>is often drawn up without much input from local civil society and other non-state actors, as a way of “ticking the box” rather than genuinely engaging with the country’s demands. A participatory approach is preferable even at the cost of being less time-effective.</p> <p>Intrusive systems of financial management and oversight may be necessary as a short-term measure but do not seem to deliver capacity in and of themselves, or at least not evenly across the different sectors, unless they are clearly complemented by harmonization of legislation, laying out of regulatory frameworks, a joint identification of critical gaps and joint development of standard procedures.</p> <p>Devolving budget execution responsibilities from the ministry of finance to line ministries is necessary to bring the public financial management process back to normalcy, but is at the same time a potentially challenging exercise that may have to be gradually phased in depending on the capacity reached by each ministry.</p> <p>In this framework, each institution should prepare its own reform program, which sets objectives, defines indicators and benchmarks, proposes a realistic time schedule and identifies resources needed for its</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
		community and the Liberian government towards key actionable priorities in the interim period. In contrast with the Sudan JAM, the Liberian Joint Needs Assessment did not aim for comprehensiveness but rather for achieving a clear focus on a reduced number of short-term priorities.	implementation.
Mozambique			
<p>Mozambique ranks 175th out of 179 countries in UNDP's Human Development Index, just ahead of Liberia.</p> <p>A brutal civil war ended in 1994 after 16 years and the country evolved towards multi-party democracy.</p> <p>There are three major ports (Maputo, Beira and Nacala) and three railways; 75% of roads are impassable during the rainy season.</p> <p>Over 4 million refugees returned from neighboring countries after the war.</p> <p>While the percentage of population living in absolute poverty reduced from 70% in 1999 to 54% in 2004 due to buoyant economic growth, the poverty rate in 2009 is still estimated at 49%.</p> <p>At independence, only 3% of the population was literate and only 40 Mozambicans had a university degree. In 1982, the literacy rate stood at 28%, in 2004 at 46%. In 2009, it is estimated</p>	<p>With over 20 donors, Mozambique is the world's eighth most aid-dependent country.</p> <p>Mozambique is widely regarded as an example of best practice in the application of the Paris Declaration. Up to 40% of aid is provided in the form of budget support while the rest relies on sectoral funds or traditional projects.</p> <p>The budget support modality, so far mainly used at the central level, has just started being rolled out to the districts in the context of a joint donor-district development framework.</p> <p>At independence, Mozambique counted around 6,000 civil servants; however, more than 5,000 mid-skilled expatriates, mainly from the socialist world, were hired. There are reportedly only six of them left; today, mid-level functions are solidly in the hands of Mozambicans.</p> <p>In 1995, there were 67,815 civil</p>	<p>TA focuses mainly on public financial management (PFM) reform and decentralization. Mozambique was interested in help identifying and assessing reliable service providers.</p> <p>Donors established a capacity development working group.</p> <p>TA is mainly contracted from private sector providers.</p> <p>Negotiated arrangements are preferred to contracting through the marketplace.</p> <p>A coherent strategy linking public service capacity building needs with provision of social services is still absent.</p> <p>Upon arrival foreign advisors receive an introduction including sector-wide approaches and budget support modalities.</p> <p>TA ranges from hands-on approaches to project implementation to an advisory role where facilitative skills prevail. Advisory roles are more in</p>	<p>PFM reforms take a long time to mature.</p> <p>Decentralization is often hampered by uncertain political will.</p> <p>Ever since Mozambique's socialist era, it has been traditional to source technical assistance from a number of different places, not only Western or former socialist countries but also from the region. In the long-term, this mix has been generally considered a success. Recent experiences with national technical assistance have a mixed record.</p> <p>The number of donors may be overwhelming and too much technical assistance may be an impediment to comprehensive public sector reform.</p> <p>Budget support can be a viable option even in fragile state situations as long as the country can convincingly show its willingness to uproot corrupt practices. However, it may also divert</p>

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<p>at 48%; however, it is estimated that only 40% of the population is fully proficient in Portuguese.</p> <p>Mozambique remains relatively centralized despite gradual devolution of powers to 33 elected municipalities. Corruption and elite capture are still a concern despite some progress on public financial management reform.</p> <p>More than half of total public spending and about two-thirds of public investment depend on aid.</p>	<p>servants but still only 6% of them had a university degree. The demand for specialized TA and high-level skills has therefore been growing, not decreasing, over the years and a few thousand expatriates, mainly from the West, still work in Mozambique. It is estimated that the cost of aid-funded TA is currently half the public sector wage bill.</p>	<p>demand at the central government level while project management skills, geared towards producing tangible outputs in service delivery and infrastructure, are utilized more often at the decentralized level.</p> <p>Donors are trying to pool TA, but the government lacks leadership. Video conferencing has been utilized in some cases to screen potential candidates. DANIDA’s performance contracts are considered an example of good practice. They are jointly signed by the national partner, TA personnel and the donor, and set forth skills transfer objectives that the TA and the host country staff should achieve over an agreed-upon period of time.</p> <p>National TA funded by aid agencies has been deployed both at the center and the provinces, with mixed results. Young TA staff working in provinces has created lack of motivation because they are perceived as inexperienced personnel paid higher salaries than government staff. Senior TA includes retired civil servants.</p>	<p>attention from needs at the decentralized level and among local non-state actors.</p> <p>The role technical assistance is expected to play in a budget support environment is chiefly process facilitation and change management. Government leadership on TA management is often difficult to achieve, but donors can start supporting nascent efforts by pooling TA provision or at least by informally working together on a division of roles. Progress is inevitably uneven across sectors and regions.</p> <p>In general, low capacity at the sub-national levels of government warrant a more “direct” approach by TA personnel, while process skills are more important at the central level. One of the TA programs has shown success in fielding TA personnel both at the center and in the provinces, with a view of enabling the central ministry to continuously learn from local experiences.</p> <p>Whatever the form, TA should be accountable to the host government. Embedded personnel may be more effective in ensuring skills transfer and cross-pollination as long as they avoid being distracted by internal matters.</p>
Solomon Islands			

Context	Size of capacity building effort	Capacity building approach	Lessons learned
<p>Small Pacific state consisting of about 1,000 islands.</p> <p>Ranks 134th out of 179 countries in UNDP's HDI; an estimated 22% of the population live in poverty. Over 75% of the population is engaged in subsistence farming and fishing.</p> <p>There has never been a strong sense of common national identity and liberal models of democracy seem to have reinforced divisions.</p> <p>Clashes over land ownership between indigenous populations and immigrants escalated in Guadalcanal in 1998, with the displacement of over 20,000.</p> <p>Organized violence fuelled by rival ethnic militias spread throughout the islands in the following years. Rule of law systems collapsed entirely, with widespread intimidation of elected officials and judiciary by urban gangs, criminalization of the economy and massive corruption among police and prison wardens.</p> <p>By 2003, the government had declared bankruptcy and for all practical purposes, it ceased to exist. The Prime Minister sought help and the Pacific Islands Forum agreed to field a multi-national Regional Assistance Mission to the Solomon Islands (RAMSI) in July 2003.</p> <p>Over 70 distinct languages are spoken in the islands; the lingua franca is an</p>	<p>RAMSI is a hybrid between a peacekeeping operation and a large TA mission, with the peacekeeping component playing a more substantial role in the early phases and the TA component gaining weight in the advanced phases of stabilization.</p> <p>Currently, RAMSI has about 235 police officers, 130 advisors and line personnel involved in three main sectors: 1) improving economic governance and growth, 2) strengthening law and justice and 3) reinforcing the machinery of government.</p> <p>The three sectoral priorities have been defined by RAMSI itself.</p>	<p>RAMSI personnel are partly seconded civil servants from the region (mainly Australians, New Zealanders and Fijians) and partly expatriates recruited through private contractors and funded by AusAID.</p> <p>In principle, expatriate experts are mainly engaged in advising, while civil servants from the region carry out basic state functions and strengthen capacity. In fact, expat advisers often perform line duties due to the high number of civil service vacancies.</p> <p>Seconded in line posts are accountable to line managers and given an induction course.</p> <p>Government engagement remains low and political divisions still run deep in local society.</p> <p>A working group on capacity building has been set up with key ministries and senior RAMSI managers to address TA in conjunction with the broader needs for civil service reform.</p> <p>An innovative feature of the Solomon Islands experience has been the use of the "facilities" by AusAID. Facilities are managed by a contractor, directly accountable to AusAID, whose remit is to engage with the host government regarding an ongoing assessment of needs and to then contract, in the short-term, skills required from among its own or other contractors' staff.</p>	<p>The Solomon Islands case has been considered successful in the short-term but a more mature analysis reveals a lack of sustainability. While the heavy-handed approach seemed warranted by the seriousness of the crisis, the prospects of recruiting qualified national staff in numbers commensurate with the current level of effort is poor.</p> <p>Domestic leadership is extremely hard to find in post-conflict countries but is still a sine qua non for long-term sustainability.</p> <p>Focusing on leaders in policy and planning matters may be the best way to overcome host country passivity.</p> <p>Seconded civil servants, especially those with cultural affinities, may be effective in transferring key basic management skills, while expatriates more familiar with development work carry out predominantly advisory tasks. This mix seems to have had a good impact.</p> <p>Even in highly fragile environments, public service reform can be started.</p> <p>A list of all civil servants in the country is expected to be finalized soon.</p> <p>Even in highly fragile environments, TA accountability to host government officials has to be enforced.</p> <p>RAMSI has shown that sustained attention to the needs of the provinces,</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
<p>English-based pidgin. English is the working language but is spoken by only a minority of the population.</p>		<p>In the absence of clear government leadership regarding the assessment of needs, this was a flexible channel to respond to emerging demands in a volatile environment while still engaging with the government.</p>	<p>in addition to those of the center, is feasible and adds to the legitimacy of the international presence. It may be useful, especially if a government-led needs assessment is difficult due to lack of capacity, lack of time or logistical difficulties, for donors to be able to present the government with a menu of short-term TA options from which to choose when responding to emerging short-term needs; a donor or a contractor then shoulders the burden of managing TA procurement. TA personnel need induction prior to deployment.</p>
Timor-Leste			
<p>Successive masters (Portuguese, Japanese and Indonesian) created limited structures of formal governance. However, customary governance practices were in existence in rural Timor. Almost complete destruction of infrastructure by pro-Indonesian militias in the aftermath of the pro-independence vote in 1999. An estimated 2,000 were killed with 2/3 of the population internally displaced. Australian-led intervention in 1999, followed by the UN Transitional Administration in East Timor (UNTAET) until 2004. Today, the government is still fickle.</p>	<p>Timor-Leste has 3 billion USD offshore in its Petroleum Fund, i.e. roughly 3,000 USD per citizen. In principle, it should not be a heavily aid-dependent country. However, over 17 donors and 15 UN agencies are active in the country. Each donor has imported its own system: Portugal its courts, Australia its civil service, Germany its port facilities management, etc. There are at least 300 foreign advisers, of which over 250 are based in Dili. Most engage in long-term institution building but only half the budget appropriations are spent every year. This tends to suggest that efforts have</p>	<p>Most advisers work in advisor positions in central ministries. Most speak none of the three official languages and are relying on English-speaking Timorese to carry out their functions, which contributes to impoverishing an already constrained labor market. This is being recognized; some agencies have started requiring TA to take compulsory intensive classes in Tetum upon arrival. Some ministries, for instance the ministry of finance, have over 50 expatriates; this leads to a lack of motivation among national staff. There is still no coherent plan to build capacity in delivering services to outlying provinces, no national job</p>	<p>Capacity building efforts are all in all not considered successful. “Lead donor” arrangements have a mixed record. While they may stimulate the lead donor to perform, they can lead to fragmentation. Supply-driven TA does not work unless the demand for capacity is generated from within. This can only happen if national staff have clear incentives to perform. A civil service reform system is a necessary though not sufficient condition for such incentives to work. Outcomes in terms of deliverables should be set and made known to the public as a way of creating incentive for performance.</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
<p>There were widespread riots across the country in 2006, high levels of election-related violence in 2007 and a near-fatal shooting of the President in February 2008. Urban gangs are a source of insecurity inside the capital and national security forces are deeply divided. Government institutions have very little outreach outside the capital, Dili.</p> <p>Several thousand people continue to live in makeshift camps outside the capital.</p> <p>Half the population is estimated to be illiterate.</p> <p>There are three official languages: Portuguese (spoken by barely 10% of the population), Bahasa Indonesia and a local, Portuguese-based pidgin called Tetum.</p> <p>Democratic norms of governance have overlooked the indigenous Timorese customs, based on lineage and consensus. As a result, democracy is often seen as elites competing with each other.</p>	<p>failed to have an impact so far.</p>	<p>creation program and no plan to deal with the housing shortage and to resettle the homeless. Until recently, the government failed to convince donors that its legitimacy depended largely on meeting the basic needs of the populace.</p> <p>Only recently has the 2008 National Priorities exercise identified six areas for special attention by donors and the government: public safety and security, social protection, employment and income, improved social service delivery and clean and effective government. Together, the government and donors have attempted to establish a limited number of measurable outcomes, set timetables for delivery and identify the responsible agencies.</p> <p>There is no demand for capacity on the Timorese side. There are few incentives to acquire new skills because human resources are not being managed based on performance: no one gets fired, promotions are based solely on seniority and there is no benchmark for the activity of civil service agencies to be assessed against.</p> <p>In rural areas, customary systems have not been tapped as building blocks for sustainable service provision.</p>	<p>Capacity building needs to move beyond central governments to sub-national levels, where government action becomes visible to citizens. This may require less Western TA and more assistance from those with similar language and culture.</p> <p>Governments and donors often neglect to provide information to local communities such as upcoming programs, their cost, the responsible parties, completion dates and results. Information gives citizens the means to keep the government accountable.</p> <p>Linkages between districts are often ignored.</p>
Multi-sectoral interventions in non-post-conflict countries			
Botswana			

Context	Size of capacity building effort	Capacity building approach	Lessons learned
<p>Botswana is one of few middle-income sub-Saharan African countries; yet was one of the poorest at independence. 31% of the population still lives in poverty.</p> <p>At independence in 1966, the civil service population was 6,000, which grew to 67,815 in 1995.</p> <p>At independence, only a few graduates were working in government, mostly in administrative positions. There was hardly any professional staff; expatriates manned over half the civil service.</p> <p>The first adult literacy estimate in 1970 was 40%; in 1993 it was 69%; in 2008, it was 82%. Literacy can be in Setswana, English or both.</p>	<p>The government decided to keep a large number of expatriates serving on contract and undertake long-term workforce training. Initially there were over 3,000 (over half the total civil service positions), non-citizens were reduced to 1,356 (12% of the positions) by 1977 and 1,303 (5% of the positions) by 1987.</p> <p>Donors funded the bulk of expatriate contracts, some directly paid, some through “topping up” of local salaries and some directly by the government.</p> <p>Through much of the 1970s, while the economy boasted double digit GDP growth, expatriate public sector employment expanded.</p> <p>In 1972, an initiative began to “localize” the public service.</p> <p>From 1982, a “localized” post was established at a grade lower than each expatriate post (“shadowing”). Once the expatriate contract expired, the “shadow” national was promoted to the position held by the expatriate (upon passing a performance test).</p> <p>By 1990, few expatriates other than specialists remained.</p>	<p>In the 1970s, most expatriates served in line positions. They filled operational (rather than advisory) positions and were on 2-3 year contracts, allowing sufficient time to train replacements. They were part of the public service structure, under public service discipline and accountable to senior executives.</p> <p>In the 1980s and 1990s, the few remaining expatriates left were mostly working in short-term advisory positions. Nationals occupied almost all managerial positions.</p> <p>The policy worked spectacularly well, chiefly for the following reasons:</p> <p>Botswana was careful to maintain a functioning, rule-bound public service free from political patronage with appointments and promotions on a merit basis. The work environment supported learning on the job.</p> <p>There were adequate funds for in-service training locally and overseas.</p> <p>Unlike many other countries in the region, Botswana ensured public service pay was kept broadly competitive with the private sector, thereby avoiding an exodus of skilled staff from government. This also ensured union policy acquiescence.</p> <p>Donors balanced aid resources between capital and TA programs.</p>	<p>In situations of an exceptional dearth of skills, a massive infusion of expatriates may work well, provided they work with clear lines of accountability to senior management and a policy of training national replacements is in place.</p> <p>Sound public sector policies and a depoliticized working environment are preconditions.</p> <p>Public sector salaries must be broadly in line with those offered by the private sector.</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
Ethiopia			
<p>Ethiopia is one the poorest countries in the world, ranking 169th out of 179 countries in UNDP’s Human Development Index. Up to 64% of the population is illiterate and 52% live in poverty.</p> <p>Ethiopia’s budget is radically pro-poor; 14% of it goes to education.</p> <p>Decentralization, started in 1995 with constitutional reform but only rolled out in fact in 2001, is well advanced. Elected district councils allocate unconditional grants received from states as they see fit.</p> <p>Communities make substantial contributions to the functioning of social services, e.g. maintenance of school facilities.</p>	<p>There were two capacity building processes: the education support program and the civil service reform program.</p>	<p>The Education Sector Development Program was introduced in 1997 by the Ethiopian government.</p> <p>Donors have a sector-wide approach to supporting the education sector, but focus support on the central level while capacity bottlenecks are at the sub-national level (mainly lack of teachers).</p> <p>The program provides “watchdog” institutions at the woreda and even kebele levels to monitor progress; the traditional gemgema system (group feedback going back to the Derg era) is used to carry out assessments of teachers and other public officials.</p> <p>As part of the civil service reform program launched in 1998, the Office for the Coordination of Capacity Building was established to initiate capacity-building policies, design and implement related programs in support of the regions and coordinate other related organs of government.</p> <p>A national capacity building strategy is part of the reform program, and the Office for the Coordination of Capacity Building became a ministry in 2001.</p> <p>In 2005, a massive nationwide capacity building program (PSCAP) began including: Civil Service Reform, District-level Decentralization, Justice System Reform, Urban Management Capacity Building, Tax Systems</p>	<p>Strong articulation of demand from citizens is a key catalyst for change. Combining efforts by citizens with formal state-led processes is successful. Capacity building programs designed with a whole-of-government approach tend not to tap potential for citizen-led local-level improvements.</p> <p>Donors should work with sub-national levels of government, especially in contributing to supporting micro-level accountability processes.</p> <p>Avoid over-design in M&E and focus on simple deliverables that are vital, e.g. increasing the number and the quality of teachers.</p> <p>There is significant but uneven progress. The main failure is the top-heavy design, weak communication between the center and periphery, subsequent delays and the lack of delegation of authority.</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
		Reform and Information and Communication Technologies. PSCAP is supported by seven bilateral donors, the UN, the World Bank and the government.	
Tanzania			
<p>Tanzania ranks 152nd out of 179 countries in UNDP's Human Development Index, with an adult literacy rate of 72% and 32.9% of the population living in poverty.</p> <p>In the 1960s and 1970s, Tanzania upheld the socialist values of solidarity and autarchy expressed in the ujamaa concept, which were able to secure impressive improvements in literacy and child mortality rates. However, the motivation of the civil service to perform was very low. Inefficiency, corruption and conformism were pervasive and had a crippling effect on the economy.</p> <p>Ministries were and are losing substantial numbers of staff to HIV/AIDS, exacerbating the skills gap, especially in managerial and technical activities.</p> <p>Public sector reform has been a long-haul undertaking. Implementation of the Civil Service Reform Program (CSRP) started in 1993 with funding from about ten donors and a focus on payroll cleansing, retrenchment and privatization. The CSRP had a</p>	<p>The program has relied heavily on expatriate personnel, as requested by the government itself.</p>	<p>In the initial phase of civil service reform (1993-1997), capacity building amounted to limited training and retooling, i.e. provision of office equipment.</p> <p>A December 1997 implementation report highlighted the lack of strategic perspective in capacity building and inadequate resource allocation.</p> <p>A new phase starting in 1998 recognized that individual competencies could only be turned into organizational improvements if system-wide incentives are set. A basic managing-for-results framework began to take shape between 2000 and 2005, to be followed by the enforcement of the performance management culture (2005-2010) and the gradual introduction of quality improvement cycles (2010-2015). This strategy is being implemented although the dates have shifted.</p> <p>The M&E framework aimed to focus public service managers on strategically utilizing the limited public resources towards service improvements in line with the</p>	<p>Payroll cleansing and retrenchment are inevitable first-generation reforms in civil service reform.</p> <p>Individual training is necessary but insufficient. It can lead to individual effectiveness but not to institutional development and collective effectiveness, unless the processes and systems are functioning and matched with resources and authority to allow the institution to deliver its output.</p> <p>Appropriate material, cultural and social incentives to perform are also needed. These incentives include competitive pressures within the organization, emphasis on loyalty, compliance and creating space for free expression of staff and client feedback on the way the organization functions.</p> <p>Civil service reform is a long-term process where sustained leadership commitment to depoliticize decision-making is critical.</p> <p>In this sense, the Tanzanian study highlights the constructive role that can be played by an agency in the President's office with a mandate to</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
<p>relatively minor capacity building component aimed at developing leadership and change management skills.</p> <p>In 1998, the Public Sector Reform Program (PSRP) was launched. It was a follow-up on CSR, but focused on system-wide improvement through pay reform, meritocratic recruitment and promotion, delegation and performance improvement.</p> <p>In 2003, the program was refocused again, with less emphasis on service delivery and more on capacity investments. An M&E framework is the backbone of the continuous performance management strategy.</p> <p>The next phases of the program (2008-2012 and 2013-2015) will enforce performance management and promote total quality management.</p>		<p>government's overall policy and public expenditure priorities. Each agency had latitude to set strategic plans as long as they were consistent with sector development strategies. The process of getting all ministries onboard has taken time but has resulted in ownership.</p> <p>A key outcome of public sector reform was capacity development of the President's Office and Public Service Management. What used to be a project implementation unit in the ministry of finance was fully integrated into the government when PRSP was launched. It was also expanded, creating a solid foundation for ownership of reform efforts. However, this has also tended to constrain individual ministries' level of buy-in and involvement.</p> <p>Generally, donors have been well coordinated. Starting in 2005, the program benefited from a pooled funding arrangement in the form of sector budget support.</p>	<p>manage system-wide change and reform. However, a balance between centralization and individual organizations may pose major coordination and harmonization challenges.</p> <p>A heavy infusion of expatriates may well build the capacity to work within the parameters of a modern management culture but the pace of the reform is slower and impact on service delivery is not immediate.</p> <p>Together, donors can achieve a critical mass and a stronger negotiating position on public sector reform issues if they adopt a coordinated approach as well as a pooled funding arrangement in the form of budget support if the remaining conditions are in place.</p>

Reform approaches at the level of individual agencies

Angola

<p>For a few months in 2001, in the immediate aftermath of the first peace accord, the Angolan National Directorate for Customs was contracted out to an international firm in a customs modernization and expansion program. The government funded the</p>	<p>The focus here is on the reform of the customs administration in 2001.</p>	<p>The contract had a specific requirement for the contractor to support capacity development in the form of a Business Management Development Program (BMDP).</p> <p>Training was designed in the wider context of a human resource strategy. It</p>	<p>Contracting out can be beneficial to building capacity if the contractor is made specifically accountable for learning results.</p> <p>Training needs to be embedded in a wider human resource strategy and the two components should be mutually</p>
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Context	Size of capacity building effort	Capacity building approach	Lessons learned
contract without any donor intervention.		<p>consisted of theory-based lessons followed by practical, on-the-job applications.</p> <p>The newly hired staff, though inexperienced, participated keenly.</p> <p>Teaching English to enable them to better communicate with foreign clients was an incentive, as was the allocation of new uniforms, the establishment of a code of conduct and job group reclassification.</p> <p>As a monetary incentive, staff received a percentage of the dues and penalties collected.</p> <p>The result was spectacular. Customs revenue increased four times, clearance time was slashed from 21 days to 48 hours and queues at the Luanda port disappeared.</p>	<p>reinforcing.</p> <p>Senior management support is essential, but so is staff motivation.</p> <p>Incentives can be both monetary and non-monetary.</p>
Rwanda			
<p>In November 1997, the Rwandan Parliament established the Rwanda Revenue Authority as a corporate body responsible for managing taxes, customs fees and excise duties.</p> <p>Previously, the department carrying out such functions was considered one of the most inefficient and corrupt segments of the whole public sector.</p>	<p>The focus here is on the capacity development processes within the Rwanda Revenue Authority.</p>	<p>Organizational development in the Authority has to be considered against the backdrop of a country slowly recovering from the shock of the 1994 genocide. The government succeeded in galvanizing the energies of society and rallying substantial donor support behind its firm will to assert its authority.</p> <p>Currently, the drive to succeed and the eagerness to perform are pervasive and make up for persisting capacity shortages.</p>	<p>The Rwandan case abundantly shows the key role played by the leadership, including political leadership, in setting a vision and marshalling an all-encompassing sense of purpose.</p> <p>Intangible outputs such as confidence and identity can be obtained even in a traumatized society.</p> <p>Process skills are every bit as important as technical skills in making change stick. International assistance has to be able to transfer both.</p> <p>Regular monitoring of both capacity</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
		<p>An environment has been created that is conducive to merging “soft” capabilities (learning, managing change and engaging with the external environment) with “hard” technical skills.</p> <p>External assistance has been able to approach capacity development in an iterative and flexible way. Capacity and performance were regularly monitored by the international partners to adjust the support program.</p> <p>In just six years, the RRA sees itself as an elite agency that has helped increase domestic revenue generation from 9.5% to 13% of GDP.</p>	<p>and performance may help create momentum.</p>
St Mary’s Hospital (Lacor Hospital), Gulu District, Northern Uganda			
<p>It started as a missionary hospital in one of the most remote locations of Northern Uganda.</p> <p>With 474 beds, it is now the second largest medical center in the Ugandan national health care system. This achievement is despite its being ensnared in an environment ridden by conflict, epidemics and abject poverty.</p>	<p>This was started by two founders back in the 1960s, an Italian and his Canadian wife.</p> <p>External support came in the form of funding, first from church circles and later from institutional donors and the Uganda ministry of health.</p>	<p>The two founders set an example and strove to imprint onto their staff care and love for patients, hard work and high standards of performance. These core values have been upheld until today.</p> <p>The first generation is preoccupied with succession management and is now conducting strategic planning for the next five years.</p>	<p>This case study is highlighted because it shows how non-state actors providing basic social services can use their set of core values and skills to manage a transformation into a high-performing public sector provider. This example puts into question the validity of the much-touted “incompatibility” between humanitarian values and successful work with and within the African public sector.</p> <p>Organizational resilience in a challenging environment often emerges as a result of an implicit, rather than explicit, change strategy based on a visionary leadership nurturing a set of</p>

Context	Size of capacity building effort	Capacity building approach	Lessons learned
			core capabilities.

Sources:

Angola (Source: OECD/DAC-PDG 2009)

Botswana (Sources: Mogolori Modisi Modisi, in Adamolekum et al. 1996; World Bank 2008)

Cambodia (Source: Siddiqui et al. 2004)

Ethiopia (Sources: Boesen 2006; Baser et al. 2008)

Liberia (Sources: Anderson 2007; Morsiani et al. 2008)

Mozambique (Sources: UNU-WIDER 2001; Boesen 2006; Land 2007)

Rwanda (Source : Baser et al. 2008)

Solomon Islands (Source: Land 2007)

St Mary's Hospital (Lacor Hospital), Gulu District, Northern Uganda (Source: Baser et al. 2008)

Tanzania (Sources: Teskey-Hopper 1999; Teskey 2000; World Bank 2008)

Timor-Leste (Sources: Caplan 2005; Boege-Brown-Clements-Nolan, 2008; OECD/DAC-PDG 2009)

ANNEX III

GOSS Functional Capacity Prioritization Team Interviewees	
Government of Southern Sudan Officials	
H.E. Dr. Luka Tombekana Monoja	Minister of Cabinet Affairs
H.E. Mr. David Deng Athorbi	Minister of Finance and Economic Planning (MOFEP)
H.E. General Oyay Deng Ajak	Minister of Regional Cooperation
H.E. Madam Awut Deng Acuil	Minister of Labor, Public Services and Human Resource Development (MOLPSHRD)
H.E. Joseph Duer Joakok	Minister of Water Resources and Irrigation
H.E. Dr. Samson Kwaje	Minister of Agriculture and Forestry
H.E. Kosti Manibe	Minister of the Council of Ministers
Elijah Malok Aleng	President, Bank of Southern Sudan
Pauline Riak	Anti-Corruption Commission Chairperson
Elizabeth Patrick	Deputy Chairperson, Civil Service Commission
Savatore Garang Mabiordit	1st Undersecretary, MOFEP
Aggrey Tissa Sabuni	2nd Undersecretary, MOFEP
George Justin Achor	Undersecretary, Ministry of Regional Cooperation (in his former role as Undersecretary, Presidential Affairs)
Engineer Isaac Liabwel	Undersecretary, Ministry of Water
James Tipo Akol Ajawim	Acting Secretary General, MOLPSHRD
Peter Mahal	Director General, Rural Water Supply and Sanitation, Ministry of Water
James Adam Boy	Director General, Hydraulics and Irrigation, Ministry of Water
James Yiel Yok	Director General, Planning and Projects, Ministry of Water
Alier Oka	Director, Water Resources Management, Ministry of Water
Gabrial Fonsiano	Director, Irrigation, Ministry of Water
Alex Liki Ruben	Director, Capacity Building and Training, Ministry of Water
Emmanuel Parmenas	Director, Operations and Maintenance, Ministry of Water
Martin Abucha	Director, IT, Southern Sudan Commission on Census Statistics and Evaluation
Sebit Bullen	Chief of Protocol, Ministry of Regional Cooperation
Peter Jalyath	Technical Advisor, Rural Water Supply and Sanitation, Ministry of Water
U.S. Government Officials	
Bill Hammink	Mission Director, USAID Sudan
Peter Malnak	Principal Officer, USAID
Brian D'Silva	USDA/USAID
Greg Howell	Program Office, USAID
Gary Imhoff	Senior Program Officer, USAID
Marc Douglas	Program Officer, USAID
David Schroeder	Program Officer, USAID

Ruth Buckley	Program Officer, USAID
Inez Andrews	USAID
John Marks	OFDA
Team Leaders and staff	USAID
Ken Spear	OTI
Kelly Buenostro	INL
Other Donor Officials	
Lise Grande	Deputy Resident Coordinator
Michael Elmquist	Head of Office, Joint Donor Office
Dirk-Jan Omtzigt	Senior Economist, Joint Donor Office
Julius Court	Deputy Head of Office and Team Leader for Public Service Reform, Joint Donor Team
Freddie Carver	Governance Advisor, DFID
Pascal Tegwa	Senior Procurement Specialist, World Bank
Prosper Nindodera	Senior Procurement Specialist, World Bank
Sanjeev Ahluwalia	Senior Public Sector Specialist, World Bank
Gunther Gutknecht	WASH Advisor, World Bank
Joe Feeney	Head of Office, UNDP
Ferdinand von Habsburg	UNDP
Geoff Handley	Advisor to MoFEP, UNDP
George Conway	Deputy Head of Office (Program), UNDP
Edith Kabui Rotich	Capacity Building Adviser, UNDP
Prajesh Bhakta	Principal Country Program Officer, African Development Bank (AfDB)
Basil Jones	Principal Institutional and Capacity Development Expert, AfDB
Allan Duncan	Administrator, Capacity Building Trust Fund
Diane de Guzman	Senior Civil Affairs Officer, UNMIS Regional Office
Implementing Partners	
Roger Usher	Team Leader, Adam Smith International
Peter Reed	Functional Review Advisor, Adam Smith International
Ann Condi	Functional Review Advisor, Adam Smith International
Don Seufert	Chief of Party, Deloitte
Raja Sherrif	Deputy Chief of Party, Deloitte
Lynn Mellior	Advisor to MoFEP, Deloitte
Bruce Hutchins	Advisor to MoFEP, Deloitte
Adam Wicik	Advisor to BOSS, Deloitte
James Tellar	Advisor to Ministry of Cabinet and Presidential Affairs, Deloitte
Jeevan Campos	Advisor to Ministry of Labor, Deloitte
Ben French	Advisor to MoFEP, ODI
David Hepburn	Crown Agents
Franklin Ibemessie	Crown Agents
Kym McCarthy	Senior Country Director, Sudan, NDI

July McCallum	PACT
David Scribner	Chief of Party, ARD
Sam Huston	MSI WASH Advisor to USAID
Grace Akukwe	Chief of Party, AED
Andrew Krefft	Deputy Chief of Party/Operations, EDC
Uche Azie	Chief of Party, MSH
Edward Flint	Advisor to Ministry of Transport, LBG
Anthony Murithi	Advisor to Ministry of Transport, LBG
JVO Weaver	Deputy Program Manager, PAE (INL's implementing partner for police training)
Benedetta De Alessi	Former member of the Assessment and Evaluation Commission European Commission. Currently Technical Assistant, Ministry of Legal Affairs and Constitutional Development
Civil Society (Juba)	
Archbishop Daniel Deng Bul	Episcopal Church of Sudan (ECS)
Rev. Simon Peter K. Modi	Episcopal Church of Sudan (ECS)
Robin Denney	Agriculture Consultant/ Episcopal Church of Sudan (ECS)
L. Hakim	Vet-Work Services Trust
Swadik Juruga (CDO)	Vet-Work Services Trust
Emelia Luka	Skills for Southern Sudan
Hissen Juma	Sudan Council of Churches (SCC)
Eunice Elisama Warrija	SES
Dr. Mugabe Puffroy	Vet-Work Services Trust
Gale Emmanuel	NESI Network
Celestine Otieno	NESI Network
Contacts in the States	
Jonglei	
H.E. Kuol Manyang Juuk	Governor
Arop Leek Thon	Secretary General
Kengen Jokar	Minister of Finance
John Mathieng	Minister of Education, Science and Technology
Isaac Ajiba	Minister of Agriculture
Biel Mayen	Director General, Government Resolutions
Stephen Ogut Obong	Security Advisor
Stephen Mac Lual	Commissioner, Headquarters
David Akwier	County Commissioner, Pochalla
Mayen Ngor	County Commissioner, Duk
Maker Lual	County Commissioner, Bor
Barnaba Gilo	Head, South Sudan Relief and Rehabilitation Commission
Martin Sagal	Planning Advisor, Ministry of Finance, UNDP
Antoine Waldburger	Head, UNMIS Bor office
Thierry Labrouze	Head, TOTAL Community Affairs office

Focus group participants

Bashir Deng Kuar

Abraham Ayom Ajitte

Duom Kuol Ager

Lazaro Garang de bul

Elijah Magot Anyang

Gabriel Gai Kurjil

John Wuui Cait

Moses Awuol Duo

Billy Peter Wal

Yithaya Nyok Ayom

Paul Okwier Ojalo

Solomon Leek Deng

John Maal Thiong

James Ochang Ojoch

Opodhi Onyango Alamo

Solomon Kuol Deng

Johnson Simon Lul

Paul Bul Yiyieth

Nathaniel Bul Gak

Benjamin Kuieng Akol

Abot Abraham Aluong

Geu Wunthony Gak

William Oyual Koang

Biel Mayan Yuel

Rev. James Oman

Kuol Deng Chol

Andrew Wal Atem

Majak Nhial Nyuon

Western Bahr el Ghazal

H.E. Lt General Mark Nyipuocho

Governor

Awad Juma Amon

Deputy Governor

Paul Hassan Dimo

Secretary General

Anthony Udo Awet

Minister of Finance Industry and Trade

Mary Rose Mariano Achuor

Minister of Social Development

Romano Ucu Lual

Director General, Finance Industry and Trade

Marcello Daniel Surur

Director General, Physical Infrastructure

Abdullahi Ali Abdalla

Director General, Ministry of Education

Pasco Pasquale Ulau

Executive Director, Wao County

Osama Mohammed

Executive Director, Jur River County (Commissioner's Office)

Joseph Akol

Director of Water, South Sudan Urban Water Corporation

Enrico Suleman	Senior Water Technician, South Sudan Urban Water Corporation
Chief of Wau	(one of three senior chiefs)
Elicad Nyabeeya	WASH Specialist, UNICEF
Garmen Garrigos	Chief Field Officer, UNICEF Southern Sudan Area Program
Josephine Muthoni	Support for States Program, UNDP
Tartisio Philip	Officer in Charge, UNDP
Robina Namusisi	Program Officer, IRI
Frank Bonner	Resident Program Officer, IRI
Northern Bahr el Ghazal	
Angui Diing Diing	Commissioner, Aweil North County
Michael Mahmoud Mater	Coordinator General, state counties under local government
Matt Witting	BRIDGE
Katherine Krueger	Democracy and Governance, BRIDGE
Lakes	
James Magok Ater	Acting Director General, Ministry of Education
Abyei	
Kuol Deng	Administrator

ANNEX IV

COST ESTIMATES FOR INTERVENTIONS

	Item	Year 1	Y2-Y5/year	Y6 - Y10/year	TOTAL
MINIMUM					
LEADERSHIP					
Vision & Strategic Plan TA	1 person x 5 trips @10,000/trip	50,000			50,000
World-class	10 people x 10 trips @20,000/trip	2,000,000	2,000,000		10,000,000
Senior	5 people @500,000/year	2,500,000	2,500,000	2,500,000	25,000,000
Middle	5 people @500,000/year	2,500,000	2,500,000	2,500,000	25,000,000
FA	5 people @100,000/year	500,000	500,000	500,000	5,000,000
CORE					
Financial Resources					
BOSS					
World-class	5 people x 3 trips @20,000/trip	300,000	300,000		1,500,000
Senior	10 people @500,000/year	5,000,000	5,000,000	5,000,000	50,000,000
FA	20 people @100,000/year	2,000,000	2,000,000	2,000,000	20,000,000
FMS					
Senior	3 people @500,000/year	1,500,000	1,500,000		7,500,000
FA	40 people @100,000/year	4,000,000	4,000,000	4,000,000	40,000,000
Natural Resources					
Oil (once)	1 person x 3 trips @40,000/trip	120,000			120,000

	Item	Year 1	Y2-Y5/year	Y6 - Y10/year	TOTAL
	Land				
	Senior 2 people @500,000/year	1,000,000	1,000,000		5,000,000
	FA 20 people @100,000/year	2,000,000	2,000,000	2,000,000	20,000,000
	Human Resources				
	Senior 3 people @500,000/year	1,500,000	1,500,000		7,500,000
	FA 20 people @100,000/year	2,000,000	2,000,000		10,000,000
	Social Service				
	Senior 1 person @500,000/year	500,000	500,000		2,500,000
	FA 5 people @100,000/year	500,000	500,000		2,500,000
	FUTURE WORKFORCE				
	Identify capacity building providers	100,000			100,000
	Radio 10 million/year	10,000,000	10,000,000	10,000,000	100,000,000
	Teacher training	10,000,000			10,000,000
	FA to encourage private enterprise 2 people @100,000/year	200,000	200,000		1,000,000
	TOTAL FOR MINIMUM	48,270,000	38,000,000	28,500,000	342,770,000
MODEST (Minimum plus the following)					
	LEADERSHIP				
	Video link-Juba & Khartoum (GONU 2nd VP role)	200,000			200,000
	Communication links-state, county & center 89 sites @500,000 ea/year	44,500,000	44,500,000	44,500,000	445,000,000
	Support to SSCSE	2,000,000	2,000,000	2,000,000	20,000,000
	CORE				

	Item	Year 1	Y2-Y5/year	Y6 - Y10/year	TOTAL
Financial Resources					
Senior	10 people @500,000/year	5,000,000	5,000,000	5,000,000	50,000,000
FA	50 people @100,000/year	5,000,000	5,000,000	5,000,000	50,000,000
Natural Resources					
Senior	10 people @500,000/year	5,000,000	5,000,000		25,000,000
FA	20 people @100,000/year	2,000,000	2,000,000	2,000,000	20,000,000
Human Resources					
PAR + training, TA & FA for central level in non-core ministries	20 million/year	20,000,000	20,000,000	20,000,000	200,000,000
Pensions (one-time payout)		20,000,000			20,000,000
Social Services - FA for states in 3 functional areas	5 people x 3 areas x 10 @100,000/person	15,000,000	15,000,000	15,000,000	150,000,000
FUTURE WORKFORCE					
Teachers and teacher training		100,000,000	100,000,000	100,000,000	1,000,000,000
Primary schools	260 schools/year @250,000 ea	6,500,000	6,500,000	6,500,000	65,000,000
Secondary schools	20 schools/year @800,000 ea	1,600,000	1,600,000	1,600,000	16,000,000
Rehabilitate education institutes	3 institutes/year @10M ea	30,000,000	30,000,000		150,000,000
Entrepreneurial skills training		2,000,000	2,000,000		10,000,000

	Item	Year 1	Y2-Y5/year	Y6 - Y10/year	TOTAL
TOTAL FOR MODEST		307,070,000	276,600,000	230,100,000	2,563,970,000
ROBUST (Modest plus the following)					
LEADERSHIP					
Helicopters	2 @500,000 ea/year	1,000,000	1,000,000	1,000,000	10,000,000
CORE					
Social Service					
100 people in 5 functional areas	@100,000 ea	50,000,000	50,000,000	50,000,000	500,000,000
Kits for service providers to perform their jobs	5,000 kits x 5,000/kit/year	25,000,000	25,000,000	25,000,000	250,000,000
Land	20 people @60,000 ea	1,200,000	1,200,000	1,200,000	12,000,000
FUTURE WORKFORCE					
Build and develop education institutes	2 institutes/year @20 million ea	40,000,000	40,000,000	40,000,000	400,000,000
TOTAL FOR ROBUST		424,270,000	393,800,000	347,300,000	3,735,970,000

Notes:

World class TA =People such as political leaders from other countries and central bankers

Senior TA=Consultants who could advise in areas such as monetary policy and those who have served as presidential advisors

TA=Technical assistance

FA=Functional assistance (middle-level staff to perform line functions)

PAR=Public Administration Reform support

PLEASE NOTE: Above numbers do not reflect the costs to house and support staff

ANNEX V

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ANNEX VI

GOVERNMENT OF SOUTHERN SUDAN ORGANIZATION CHART AS OF OCTOBER 16, 2009

