

# **Evolution of a Transition Strategy and Lessons Learned:** *USAID Funded Activities in the West Bank of Southern Sudan, 1993 to 1999*



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**Note:** All photos are by Anne O'Toole Salinas, April 1999. All maps were created by Peter Hobby of USAID's FEWS project. The map on page viii was revised by Nate Smith of USAID's Office of Foreign Disaster Assistance (OFDA).

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# Executive Summary

Since the famine of 1988 and in response to the ongoing human suffering and subsequent famines, USAID and other donors have been providing substantial amounts of relief assistance to southern Sudan. Despite the costly international response, which since 1989 has been primarily organized under the United Nations umbrella of Operation Lifeline Sudan (OLS), the needs have not diminished significantly. The ongoing conflict between the Government of Sudan and opposition groups aligned under the National Democratic Alliance (NDA) continues to displace the people in the South and undermine their coping mechanisms. The effects of the conflict, combined with periods of drought, have caused three periods of famine within the past 11 years. Over the course of these years, the U.S. Government has provided more than \$1 billion in assistance to Sudan.<sup>1</sup> The long-term nature of this humanitarian disaster, and its cost, created a somewhat unusual set of conditions that contributed to a change of approach in the U.S. Agency for International Development's (USAID) response.

The approach that evolved reflected the increased level of stability and security that had emerged by the mid-1990s as a result of military advances made by the Sudan People's Liberation Army (SPLA) in much of the southernmost part of Sudan. This area, comprising all parts of Equatoria province lying west of the Nile, is also known as the "West Bank." Because of its fertile soil and abundant rainfall, the region is often referred to as the "greenbelt of southern Sudan."

The economic potential of the West Bank was largely neglected by both donors and relief agencies until 1994 when USAID began to fund innovative activities in the region. While other donors were reluctant to provide assistance that didn't meet the strict definition of "emergency" or "relief" assistance, USAID funded activities in the West Bank with the primary objectives of reducing the costs of relief assistance and facilitating economic recovery in stable areas so that the effects of future disasters could be mitigated. As areas in the West Bank stabilized, and significant trade routes

opened up, USAID seized the opportunity to invest in economic transition.

This case study traces the evolution of this approach and summarizes the impact and lessons learned of each of the rehabilitation-oriented activities funded by USAID through the Office of Foreign Disaster Assistance (OFDA). It draws out common constraints, lessons learned, and recommendations to be considered in both USAID's future involvement in the West Bank and other situations involving long-term complex humanitarian emergencies. Information for this paper was collected through a review of project documents, interviews with numerous USAID and relief agency personnel involved in the Sudan program, and site visits to USAID-funded projects in Yambio and Tambura, Western Equatoria in April 1999.

The rehabilitation activities that USAID has supported in the West Bank since 1993 have ranged from road repair to small grants to community groups, and each activity has generated valuable lessons to share. The USAID Sudan team has also learned a great deal through the evolution of the five phases of the West Bank strategy. While many of the activity-level lessons are particular to a certain type of activity, others are relevant to all rehabilitation-oriented activities. It is clear that, when opportunities arise in the ever-evolving transition context, they must be seized as quickly as possible (once it is determined that an intervention is warranted) so that an activity can have the greatest impact. For this reason, it is critical to have flexible funding mechanisms that allow for quick response. It is also clear that knowledgeable individuals in the field are the best placed to identify these opportunities and should accordingly be empowered by management to make decisions and implement innovative programs on the ground. The West Bank experience has also shown that, in order for an activity to be as effective as possible, the implementing partner must make frequent impact assessments (with a special attention given to economic impact) and coordinate activities with both local authorities and others undertaking activities in the area. Finally, the sharing of lessons learned from these innovative activities must be improved so

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<sup>1</sup> Unclassified State Department Cable 107180, 092046Z (June 9, 1999).

that the effectiveness of future activities is even greater.

Overall, the West Bank experience provides evidence of USAID's success in promoting economic and political transition through targeted interventions. The West Bank, though still affected by conflict, has been stable and secure enough to make such interventions possible—and effective. The primary lesson learned from this experience, therefore, is that complex emergencies and conflicts can not be thought of in absolute terms. There are often pockets of stability, and resulting potential for transition, even in a situation of ongoing conflict. And these areas can benefit from rehabilitation-oriented programs. By devoting as little as four percent of its total assistance to Sudan over the past six years, USAID has learned that, if programmed properly, a small amount of assistance can go a long way toward restoring people's coping mechanisms and providing them with the ability to reengage in economic

activities. These interventions serve to jump start the market economy, promote the development of civil society, and further the creation of a functional, transparent, and accountable civil administration.

Ultimately, these types of transition programs foster the transition to resilient development and community self-sufficiency, preventing or mitigating the effects of current and future complex emergencies, and reducing the overall costs of relief interventions in the area. Given the amount of humanitarian assistance that has been channeled to Sudan and other complex emergencies in the past, we can safely expect that high levels of assistance will continue to be given to these areas. Thus, it behooves USAID and other donors to place high priority on ensuring that all opportunities are seized to use assistance in ways that will increase the population's self-sufficiency and reduce its dependency on food aid.



Figure 1

# Glossary of Acronyms and Abbreviations

|      |   |
|------|---|
| AAIN | Action Africa in Need   |
| BHR  | Bureau for Humanitarian Response  |
| CAR  | Central African Republic  |
| CARE | Cooperative for Assistance and Relief Everywhere                          |
| CRS  | Catholic Relief Services  |
| DRC  | Democratic Republic of Congo  |
| DRM  | disaster relief and mitigation  |
| ECHO | European Community Humanitarian Office                                    |
| FFP  | Food for Peace  |
| IGAD | Intergovernmental Authority on Development                                |
| GOS  | Government of Sudan   |
| GTZ  | Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation) |
| ISP  | integrated strategic plan   |
| LGP  | local grain purchase  |
| MFA  | Maridi Farmers Association  |
| MT   | metric tons   |
| NDA  | National Democratic Alliance  |
| OFDA | Office of Foreign Disaster Assistance (USAID)                             |
| OLS  | Operation Lifeline Sudan  |
| OTI  | Office of Transition Initiatives (USAID)                                  |
| PMPP | Office of Prevention, Mitigation, Preparedness and Planning               |
| SPLA | Sudan People's Liberation Army  |
| SPLM | Sudan People's Liberation Movement  |
| SRRA | Sudan Relief and Rehabilitation Administration                            |

|        |   |
|--------|---|
| SSIM   | South Sudan Independence Movement             |
| STAR   | Sudan Transition and Rehabilitation           |
| TMDA   | Tambura Marketing and Development Association |
| UNICEF | United Nations Children's Fund                |
| USAID  | U.S. Agency for International Development     |
| USDA   | United States Department of Agriculture       |
| WFP    | World Food Program                            |
| WVI    | World Vision International                    |

# Introduction

In the post-Cold War era context of increasing levels of internal conflict and resulting complex emergencies around the world, there is a need for innovative approaches to humanitarian interventions. This case study examines one such example, USAID's work since 1993 in the "West Bank" of Sudan, a relatively stable area in the country's southern region that includes Western Equatoria and the portion of Eastern Equatoria west of the Nile River. The case study traces the evolution of USAID-funded activities, with an emphasis on USAID thinking, program strategy development, and the transition to the current Sudan Transition and Rehabilitation (STAR) program. The study seeks to document both USAID's successes and failures on the West Bank and to distill valuable "lessons learned" that can be applied to the formulation of other activities seeking to mitigate the consequences of humanitarian disaster, conflict, or during the transition from relief to development.<sup>2</sup> In addition to providing lessons learned, the paper makes recommendations for future approaches to assisting areas undergoing economic transition, whether or not in a situation of ongoing conflict. Fi-

nally, the paper summarizes the implications of past activities for ongoing and future activities and USAID's strategy in the West Bank.

Information for this paper was collected through a review of project documents, interviews with numerous USAID and relief agency personnel involved in the Sudan program, and site visits to USAID-funded projects in Yambio and Tambura, Western Equatoria in April 1999.

It is hoped that this study will form part of the literature informing the current debate over the future of humanitarian assistance. Within the context of increasing levels of internal conflict and resulting complex emergencies around the world, the need for new and innovative approaches to humanitarian interventions are even more necessary. Aspects of the West Bank example can be looked at by others as a model for future interventions throughout the Greater Horn of Africa region, and around the world, so that the mistakes that were made might be avoided, and the successes replicated.

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<sup>2</sup> In this paper, the term "transition from relief to development" refers to the transition from relief (humanitarian) assistance to development assistance. Of course, the transition from one funding mechanism to the other is in response to a shift in the needs of the targeted communities—from basic food and health needs, to economic rehabilitation needs and, ultimately, to longer-term development needs.



# The Operating Environment in the West Bank

## Historical Context

Southern Sudan has not enjoyed a period of peace, development, or internal stability since 1821. For 32 of the last 43 years, civil war has plagued the country. From 1956 to 1972, southerners fought for independence from the North in the Anyanya I conflict. From the time this conflict ended with the signing of a peace agreement in Addis Ababa in 1972, the South experienced peace and a certain degree of self-determination in a federated union with the North. However, conflict emerged again in 1983 with the start of the Anyanya II insurrection.

Although the players and dynamics have varied through the different stages of conflict, the themes and matters of dispute have remained relatively constant. The issues have been freedom of religion for the non-Muslim South, imposition of Islamic law in the South, and economic underdevelopment and exploitation of the South by the North. Various peace efforts have been undertaken, but none have succeeded, and although it is clear that the war can not continue indefinitely, there appears to be no end in sight.

The course of the conflict over the past 16 years has had a substantial impact on the security and humanitarian situation facing the population. As the Sudanese People's Liberation Army (SPLA) has gained and lost territory, people's lives have been harshly and negatively affected by the lack of security and access to economic opportunity and trade linkages. However, when the Sudanese People's Liberation Movement/Army (SPLM/A) established control over much of Western Equatoria and Bahr el Ghazal in 1997, it secured control and stability in a large section of highly productive territory, including trade routes between Bahr el Ghazal, Equatoria, and Uganda to the south.

This relative stability has allowed substantial progress to be made, and has meant that the population has been able to rebuild their lives and make the transition from relief to development. However, some places in the region, such as Yei, have had their development hindered by periodic aerial bombardment by the Government of Sudan's (GOS) Antonov planes.

## Economic Context

The Equatoria region is regularly referred to as the bread basket of the South because of its agricultural and economic potential. The fertile soil of the "greenbelt," which runs along Sudan's southwestern border, in addition to abundant rainfall, enables farmers to grow two crops a year. Crops grown by local farmers include maize, finger millet, groundnuts, sorghum, cassava, rice, and cash crops such as coffee and shea nut. Mango and other fruit plants and trees are abundant in the region. The economic potential lies not only in the agricultural production of food and cash crops, but also in the supply of raw materials for small scale processing and manufacture, mineral resources, and valuable hardwoods such as teak.

The West Bank region is also economically important due to the common borders and trade linkages it has with Uganda, the Central African Republic (CAR), and the Democratic Republic of Congo (DRC). The trade routes among these three countries are vital to the entire economy of southern Sudan. In addition, there has been a history of mutually beneficial trade linkages between the agriculturalists in the West Bank and the pastoralists to its north. These trade linkages are now gradually being reestablished.

Historically, little has been done to develop the West Bank's substantial economic potential. Throughout the period of domination by the North, and even during the British colonial era, the economy of the South was organized to benefit the North and, consequently, served to further the exploitation of the region's labor and resources. Until the present, the economy has been dominated by subsistence agriculture and, apart from cotton and coffee, the South has not been involved in export trade.

There has been only one attempt made to develop industries or to reinvest in the productive infrastructure of the region. In the late 1930s, Nzara in Western Equatoria was chosen as the site for an agro-industrial complex where textiles, soaps, oils, and other essential commodities were to be manufactured. When the British left the South in 1956, the Nzara complex

remained behind and functioned until supplies ran out in the early 1990s. After the 1972 peace agreement, there were some efforts by the central and regional governments, as well as some donors, to establish factories, but these were either exploitative in design or not completed before the war recommenced in 1983.

From the beginning of the conflict until the SPLA took control of Yei in March 1997, the war had a seriously destructive effect on the region's economy. The West Bank went from being a surplus-producing area to being classified as a food deficit zone. Before the SPLA took control of several of the key towns in Western Equatoria in December 1990, there was massive displacement of people and collapse of infrastructure. Economic recovery took place at a rather slow rate after that point and did not accelerate until the SPLA established control over the route from Uganda to Yei in 1997. As a result of this opening, trade in grain, cattle, and other commodities has increased in both directions. The trade linkages between Western Equatoria and Bahr el Ghazal have also been reestablished and have fostered increased internal trade. Because of increased security and the opening of trade routes, there has been a big change over the past few years in the markets and shops in Western Equatoria. In 1993, people in Western Equatoria did not have clothing or access to other basic commodities. Now, all basic necessities, as well as goods ranging from condoms to bicycle parts, are easily available in the markets.

The experience of the past few years has shown that, so long as farmers are assured access to markets, and market demand continues to grow, they will continue to invest to produce surplus to sell. Nevertheless, transport, market information, and communication all need to be improved to ensure that this economic growth can be sustained. In addition, for further expansion of production to take place, banks and other financial institutions, convertible currency, a stable and regular source of revenue for the civil administration, and a rational and consistent taxation policy all need to be developed. A study of the economic capacities and vulnerabilities in southern Sudan produced for the civil society strengthening component of the STAR program in April 1999 identified other economic challenges, including "increased food production, agricultural productivity, domestic savings mobilization, establishment of micro and small enterprises, the role of women in economic development, and the importance of increasing access to economic resources for women and youth."<sup>3</sup>

One of the greatest challenges for the West Bank, however, is the development of human resources. Most educated and skilled southern Sudanese are living in other countries as refugees, while young southerners do not have access to adequate education and training. So long as there is a shortage of skilled, qualified, and experienced personnel to serve in the civil administration, establish small-scale businesses, trade, and teach the youth, there will be a substantial limit on economic and social development in the region.

## Social Context

The inhabitants of southern Sudan come from four main ethnic/linguistic groups of Nilotics, Nilo-Hamites, Bantu, and Sudanic groups. The largest ethnic group in the West Bank is the Azande, a Bantu group. Azande, unlike their pastoralist Dinka neighbors, are primarily agriculturalists. Other ethnic groups populating the region are Balanda, Dinka, and Jur Achol (or Jur Luo).

During the early years of the conflict, many Western Equatoria residents sought refuge in neighboring countries. However, in the past few years, many of these refugees have returned to their home areas in Western Equatoria. Because of the region's relative stability, it has also become a haven for internally displaced people (IDP) in recent years. The most significant influx of IDP occurred in 1993 when large numbers settled outside of Mundri and Maridi following the Bor massacres.

In addition to its effect on the movement of people in and out of the region, the conflict has had a deleterious effect on social structures throughout the West Bank. Family structures have been disrupted by the war, entire communities have been displaced, and basic services, such as health and education, are either inadequate or nonexistent. However, these structures are beginning to be repaired and access to health services is slowly improving. There continues to be extremely limited access to education and, because of the effects of the conflict, the youth of southern Sudan are uneducated. The literacy rate for the region is unknown, but a recent household and market baseline study of Tambura County found that 78.5 percent of males and 28.1 percent of females were literate. It

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<sup>3</sup> Geoffrey Nasubo and Riak Gok Majok, "Economic Rehabilitation of Southern Sudan Through Grant Making/Capacity Building Programs: An Initial Situation Analysis of Economic Capacities and Vulnerabilities Report on Southern Sudan" (Catholic Relief Services, April 1999), VII.

also found that 33 percent of children ages 6 to 14 were enrolled in school.<sup>4</sup>

Gender roles in southern Sudan have been shaped by culture and by social and economic underdevelopment. Women spend their time doing domestic chores such as fetching water, manually grinding grain, and cooking food, all of which allow little time for other activities. The patriarchal culture imposes constraints on women's interaction with men who are not relatives and defines what constitutes "women's work."<sup>5</sup> Lacking access to education and health services, young women have high rates of pregnancy and sexually transmitted diseases. However, women in the West Bank are increasingly breaking out of the traditional mold and challenging their traditional status. Many women's groups have been organized to undertake various activities aimed at income generation. Some have even broken with tradition and have trained for trades such as carpentry.<sup>6</sup> This progress is reflected in the recent appointment of a woman as Yambio County Commissioner.

Women's groups and other types of community organizations are becoming increasingly active and have contributed to the development of civil society in the West Bank. A situational analysis of civil society relationships in southern Sudan, compiled for the civil society component of the STAR program in April 1999, found that the most common types of civil society groups found in Equatoria are traders' organizations, women's groups, farmer's cooperatives, and youth and disabled organizations. While still in their infancy, and in need of a great deal of capacity building, these groups have much potential for the development of grassroots organizations and democracy in the region.

## Political Context

The entire West Bank is under the political control of the opposition SPLM. During the first 11 years of the current conflict, the SPLA ruled the part of the territory it controlled in an oppressive and militaristic fashion. In these early years, the SPLA was accused of human rights abuses and did little to win the hearts and minds of southerners. The SPLA also lacked the structure and capacity to respond to the population's needs. In 1994, however, the SPLM First National Convention brought together representatives of the civil population and the army to create a civil administration separate from the SPLA forces. The transition to this new structure was not easy, as some SPLA commanders found it difficult to relinquish powers to the

civil population. In 1996, the SPLM convened a conference on Civil Society and the Civil Authority in the New Sudan that further clarified the role of the civil authority and the relationships within the movement.

Since 1996, slow and uneven progress has been made toward development of a democratic and accountable civil administration. The STAR civil society study found that the quality of county leadership, in the form of a county commissioner, varies greatly from county to county and helps determine the relationship between the population and the civil administration in the area, as well as the degree of development and progress experienced in the county. The level of stability in an area also influences the extent to which civil authority has been established.

One obstacle to improved civil administration appears to be continued confusion over the role of the civil authorities versus the Sudan Relief and Rehabilitation Association (SRRA). The SRRA was formed in the late 1980s to serve as the humanitarian wing of the SPLM/A and to liaise among international relief agencies, indigenous relief groups, and the SPLM. The confusion and overlap between the roles of the civil authorities and the SRRA has resulted in the duplication of work, wasted resources, and conflict among involved parties. However, steps are now being taken to clarify roles and responsibilities.

Another obstacle to improved civil administration has been inconsistent directives and policy from the movement's leadership. For example, although the SPLM encourages democratic practice at the *boma* and *payam* levels,<sup>7</sup> it has a policy of appointing, rather

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<sup>4</sup> CARE South Sudan, "Draft: Household and Market Baseline Survey Tambura County, Mapel, Wau County, Southern Sudan" (May 1999), 10.

<sup>5</sup> However, the "Initial Situational Analysis of Civil Society Relationships in Southern Sudan" found that in some cases where women had challenged the traditional roles assigned to them, as in the case of a carpentry project run by women in Maridi, the projects had brought immense success, p. 34.

<sup>6</sup> Huda Abuzeid, "Draft: Survey of Women's Activities—Income Generating Activities in Southern Sudan" (1998).

<sup>7</sup> Each county in southern Sudan (such as Tambura County or Yambio County) is made up of several *payams* and each *payam* is made up of several *bomas*, the smallest political unit. A *payam* would be equivalent to a district, and a *boma* is equivalent to a village.

than electing, county commissioners. A third obstacle has been low political awareness and organization among the population, which stems primarily from its limited experience with democracy and preoccupation with meeting basic needs. However, promising efforts have begun in the West Bank to bring together people at the *boma* and county levels to develop plans for food security and development. In addition, communities are increasingly coming together in grassroots efforts to improve different aspects of their lives.

## Humanitarian Context

What sets Sudan apart from other humanitarian disasters throughout the world is duration, magnitude, and cost. Since the disaster began 16 years ago in 1983, it has been estimated that 1.9 million of southern Sudanese have died from war-related causes. In addition, over 80 percent of southern Sudan's estimated population of five million has been displaced at some time since 1983. Currently, it is estimated that there are four million internally displaced Sudanese—the largest displaced population in the world.<sup>8</sup> Over the past 10 years, the U.S. Government alone has provided more than \$1 billion in humanitarian assistance to Sudan, of which \$834 million was provided by USAID.<sup>9</sup> It is estimated that the international community spends \$1 million in humanitarian assistance to Sudan each day, while the GOS is estimated to spend approximately the same amount each day to finance its war effort.

These characteristics of the Sudan emergency are what led USAID to adopt a rehabilitation-oriented approach

for the zones of stability within southern Sudan. Stability and security in the West Bank, which have increased over the past five years, have created the necessary conditions for the provision of less traditional food aid and the provision of more assistance aimed at economic recovery. The USAID approach differs from other donors because of the size of the share of its assistance that has gone toward rehabilitation-oriented activities. Since it first began to fund these types of activities in 1993, USAID has contributed 4.4 percent of its total assistance (more than \$24 million) to rehabilitation-oriented activities in the West Bank. This figure includes \$3 million in development assistance funds obligated as part of a total of \$7 million for the three-year STAR program. USAID is the first—and only—donor to commit development funds to a program in the opposition-held area of southern Sudan.

Other donors are reluctant to fund rehabilitation activities as they fall outside of the traditional definition of “relief” or “emergency” assistance, which is primarily limited to the delivery of food aid. Operation Lifeline Sudan (OLS), which includes UNICEF, the World Food Program, and many of the relief agencies operating in southern Sudan, has, consequently, had only a limited presence in the West Bank. The primary role of OLS is to coordinate the activities of its member organizations, but the OLS has not taken on this role in the West Bank. The limited OLS presence in the region has been both positive and negative. On the negative side is the lack of a coordinating mechanism; on the positive is the absence of a large bureaucratic structure criticized for inefficiency and ineffectiveness.

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<sup>8</sup> Millard Burr, “Quantifying Genocide in Southern Sudan and the Nuba Mountains: 1983–1998” (U.S. Committee for Refugees, December 1998).

<sup>9</sup> Unclassified State Department Cable 107180, 092046Z (June 9, 1999). “Office of Foreign Disaster Assistance Commodity/Service Report (as of June 22, 1999)”. *US Overseas Loans and Grants: Series of Yearly Data*. “BHR/FFP FY98 Support for Programs in Sudan, as of September 30, 1998.” “BHR/FFP FY99 Support for Programs in Sudan, June 2, 1999.”

# Evolution of the USAID Strategy for West Bank Activities from 1993 to 1999

## The Genesis of the Strategy

In 1993, the USAID Sudan team came together for the first time to create a strategy for the Sudan program. The major impetus for creating a strategy and finding a new approach was the cost and duration of the ongoing humanitarian operation in southern Sudan. With no end in sight to the conflict or the human suffering that began with the 1988 famine, USAID opted for an approach that would reduce relief costs and buttress the coping mechanisms of the Sudanese so that famines could be averted. Some members of the team, in addition to a few of the relief agencies operating in the West Bank, had already been seeking ways to help realize the economic potential of this relatively stable and fertile region, despite the ongoing conflict. The strategy that emerged was quite innovative as it aimed to undertake rehabilitation-oriented activities that did not fall under the conventional definition of "emergency assistance." As one of the USAID Sudan team members at the time recalled,

Of course, when you looked at the situation in southern Sudan it seemed obvious that Western Equatoria should not be treated like a relief basket case and yet it classically fell within the relief development gap.... [R]elief workers had not yet really considered what 'normal' development activities could take place in a rebel held area and in an area called a war zone.<sup>10</sup>

The USAID Sudan team, which was comprised of both USAID/Washington and Nairobi-based staff, provided significant guidance and direction to implementing partners. In several cases, USAID staff solicited proposals from relief agencies and proposed certain types of activities such as road building and income generation. However, once the projects were operative, USAID had less influence on the course taken by the individual programs, partly a result of the logistical constraints on regular field visits to monitor and evaluate activities.

The following section details the further evolution of the Sudan strategy and its implications for activities in the West Bank up until 1999. To emphasize key shifts in program focus and strategy implementation, the section is divided into four phases: internal roads, agricultural rehabilitation, and local grain purchase (beginning in 1994); support for local economic rehabilitation initiatives (1994 to 1998); strengthening non-OLS NGO capacity (beginning in 1997); transport, economic recovery, and trade (beginning in 1997); and the STAR program and the transition to development assistance (beginning in 1998). Although some of these phases overlap or run concurrently and share the same primary objectives, they are distinct in their approaches and secondary objectives.

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<sup>10</sup> E-mail from Kath Campbell, formerly with USAID Sudan Field Office, and now with WFP in Uganda (June 14, 1999).



# Phase One: Internal Roads, Agricultural Rehabilitation, and Local Grain Purchase (Beginning in 1994)

Phase One, which began in 1994, aimed to jumpstart the economy by investing in internal road rehabilitation, agricultural rehabilitation, and local grain purchase and barter programs. Some members of the USAID Sudan team had a great deal of prior experience in the region, and were aware of the agricultural potential of Western Equatoria and the success of USAID-funded agriculture activities in the region in the early 1980s. They knew, for example, that up until the current phase of conflict, Western Equatoria provided enough food to meet half the needs of Juba and much of the rest of southern Sudan—and they saw that there were opportunities to facilitate the return to this level of agricultural production.

USAID's implementing partners for this phase included CARE, World Vision, AAIN, and Terra Firma. The activities undertaken by these relief agencies were meant to seize the opportunities for economic rehabilitation presented by the secure and stable situation in Western Equatoria. They served to lay the foundation and rehabilitate the infrastructure that would serve as the basis for further economic recovery.

During this phase, the USAID Sudan team gave more guidance than it normally would, especially in the project design phase. The guidance was warranted, however, as these activities were groundbreaking for both USAID and the relief agencies involved. Although the ability of the relief agencies to design and implement innovative and effective programs varied substantially, their willingness to rise to the challenges and opportunities presented in Western Equatoria was notable.

The lessons of each activity are listed below, but there were also general lessons learned by USAID during this phase. One was that exchange of barter commodities for surplus agricultural production allows a population to rebuild its life and reengage in economic activities. Some common problems encountered by the barter programs included lack of information on surplus production, poor planning, and difficulty in fixing fair exchange prices. In addition, because of the poor

condition of roads at that time, the transport of barter items into the area proved to be costly (especially when flown) and logistically difficult (especially when brought in by road from Zaire).

## CARE/Tambura

### Overview

Following the SPLA capture of Tambura County in the fall of 1990, economic scarcity and social breakdown reigned due to the lack of markets, social services, and communications with the outside world. The inhabitants fled into the bush during the conflict and largely remained there until relief agencies, including CARE, appeared in 1993. CARE's initial program in Tambura, which was funded by the European Community Humanitarian Office (ECHO) and USAID's Office of Foreign Disaster Assistance (OFDA), focused on relief assistance to the vulnerable and malnourished returning population of the county.

Once the situation stabilized, CARE shifted its strategy from relief assistance to rehabilitation. It recognized the need to import commodities into the area and to help the population realize the productive potential of this fertile area. In cooperation with the local authorities and the community, CARE developed an integrated, cross-sectoral program aimed at rehabilitating the economy. The part of the program specifically aimed at economic recovery, which grew into the Tambura County Economic Recovery Program, was initially funded through OFDA grant funds remaining from the Western Equatoria resettlement program. OFDA has continued to provide assistance to this program through 1999.<sup>11</sup>

In 1999, CARE proposed a revised approach under the new Tambura County Seed Production and Marketing Program for Tambura County and the Bahr el Ghazal

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<sup>11</sup> OFDA did not fund the program in FY1998, but activities continued with income generated through the local grain purchase program.

region. This project, which is currently operating with funding from OFDA, aims to reduce the cost of humanitarian assistance and improve the efficacy of the emergency response by promoting internal production and marketing by local farmers and building long-term capacity for food security within southern Sudan. OFDA agreed to fund this program because the logic and goals of the proposed activities coincide with those of the U.S. Government's Integrated Strategic Plan (ISP) for Sudan, and because of CARE's positive experience in Tambura. OFDA was especially impressed by the program's potential to bring about long-term benefits to trade in the region, reduce relief costs in the short term, institutionalize production of quality seeds and seed self-sufficiency within southern Sudan, and increase local management of the activities.<sup>12</sup>

The three objectives of the Tambura County Economic Recovery Program were to create economic security, open secondary roads, and strengthen local capacities. The OFDA-funded components of the program initially focused on barter and agriculture, whereby basic commodities, including items such as soap, bicycles, blankets, salt, and buckets were airlifted into Tambura and then exchanged for surplus grain produced by local farmers. CARE then sold the grain to NGOs conducting relief operations in other parts of southern Sudan. Eventually, local cooperatives assumed some responsibility for the management of satellite barter shops and the SRRA assumed the role of supervising partner. In 1996, with an increase in the cost of OLS flights, demonstrated market capacity to supply basic commodities, and new management at CARE, the program began to make the transition from barter to cash exchange. Today, 99 percent of the payment to farmers is in the form of cash and more and more seed is being purchased.

Other supplementary program activities included agricultural extension, agriculture demonstration plots, road rehabilitation, and seed and tools distribution. At one point, CARE had nine demonstration plots throughout the county and 13 agricultural extension agents serving 10,000 farmers and 1,000 fishermen. The demonstration plots were used to conduct crop trials, demonstrate alternative farming methods and multiplying productive seed varieties for dissemination through sale or exchange. At the end of 1997, six of the demonstration plots and the entire agricultural extension service

### USAID Funding to CARE/Tambura (OFDA)

|              |                    |
|--------------|--------------------|
| FY 1994      | \$ 493,874         |
| FY 1995      | \$ 602,161         |
| FY 1996      | \$ 497,594         |
| FY 1997      | \$ 161,730         |
| FY 1998      | \$ 0               |
| FY 1999      | \$1,280,317        |
| <b>TOTAL</b> | <b>\$3,035,646</b> |

were turned over to the management of the local SRRA authorities.

When CARE arrived in Tambura, it found that all forms of wheeled transport had disappeared due to a shortage of parts and impassable roads. With funding from both USAID and ECHO, it undertook repair and maintenance of the primary and secondary road networks to facilitate the movement of people and goods in the region and access to clinics, schools, and markets. The road rehabilitation program employed nearly 600 people and provided tools and instruction to population centers along the road. In return, communities assumed responsibility for maintenance of a determined length of road. Mobile road crews were used to repair more serious breaks in the road. In late 1997, CARE withdrew from the roads project due to funding constraints, and the entire responsibility for road maintenance was turned over to the local communities. Unfortunately, some of the communities did not recognize the economic importance of maintaining their roads and some sections of the roads became overgrown and potholed.

The primary health care component of CARE's program has been largely funded by other donors, but OFDA has contributed funds to CARE's emergency response to an outbreak of sleeping sickness in the region.

CARE has also aimed to strengthen local capacities through development of Sudanese staff and members of the SRRA. The current Tambura County Seed Production and Marketing Program is concentrating its efforts on reestablishing farmers' cooperatives in the area and privatizing barter operations through the formation and institutional strengthening of the Tambura Marketing and Development Association (TMDA), formerly the Tambura Country Barter Association. The eventual goal is to have the TMDA (an umbrella group

<sup>12</sup> Unclassified cable, AID 10/30/98 (October 30, 1998).

coordinating the distribution of seed stock, contracts with farmers, and the purchase, storage, and marketing of surplus production on behalf of local farmers and their cooperatives) evolve into a self-sufficient and sustainable entity.

After the start up of the Tambura program, CARE was reluctant to increase the amount of grain and seed that it purchased locally. This reluctance stemmed from a number of concerns including lack of knowledge about the local production potential; unclear market demand; expensive transport options; and concern that grain in storage might become a target of looting. With a better understanding of local production, a more reliable market (especially in the wake of the 1998 Bahr el Ghazal famine), and cheaper transport due to the opening of the road to Yei and Uganda in 1997, CARE has been more amenable to increasing its local grain purchases in the past two years.

The current Tambura County Seed Production and Marketing Program reflects this shift in attitude. The first objective of the program is to produce, process, and market 1,100 metric tons (MT) of high quality, certified seed stock in Tambura County. CARE fell short of this goal, procuring and selling approximately 800 MT of grain and seed, though still a two-fold increase over production in previous years. The second objective is to rehabilitate and maintain 518 km of key market roads within Tambura and Wau counties, linking Western Equatoria to Bahr el Ghazal so that surplus production can be transferred to areas of food deficit. At the time of this report's publication, the route proposed initially had been turned down by the SPLA leadership and an alternative route was awaiting approval. This delay in road work has also meant that the third objective—to transport 250 MT of the seed or grain produced in Tambura to Wau County for pre-positioning to improve emergency response preparedness—has not yet been achieved. However, CARE has transported 78 MT of groundnut and simsim seeds (to date) to World Vision in Yambio, which is using the seeds for their OFDA-funded agricultural projects in Tonj and Gogrial counties.

Throughout the implementation of all components of its Tambura program, CARE has consistently consulted with the local SRRA authorities. It has been an explicit goal of the program to build the capacity of the nascent county civil administration, so that the authorities will eventually be able to assume responsibility for aspects of the various activities. CARE has viewed

the local authorities as counterparts in all components of its projects and, although working with the SRRA has been challenging, the benefits are beginning to be realized in a more involved, accountable, and responsive civil administration.

In all of its recent activities in Tambura County, CARE has conducted an analysis of the expected and potential short and long-term implications of the proposed activities when working in conflict areas. Undertaking this analysis has helped CARE modify its approach and mitigate potential harm and minimize the exacerbation of conflict.

### Impact

The impact of CARE's work in Tambura has been significant and widespread. When CARE first began to operate in Tambura, no basic commodities were available. Today, there is a bustling market every day of the week where anything from clothing to batteries and bicycle parts may be purchased. The introduction of barter items at the start of the project gave people a means of returning to their lost occupations and restarting economic activities in the area. Just two weeks after CARE began to pay local farmers in cash, the

#### Payments to Farmers (value of goods and /or cash)

|              |                  |
|--------------|------------------|
| 1994/95      | \$ 91,616*       |
| 1995/96      | \$122,504*       |
| 1996/97      | \$109,708        |
| 1997/98      | \$ 78,020        |
| 1998/99      | \$168,000**      |
| <b>TOTAL</b> | <b>\$569,848</b> |

\* \$ value of barter commodities

\*\*estimate

#### Tons of Grain and Seed Produced by Local Farmers and Purchased by CARE

|              |                 |
|--------------|-----------------|
| 1994/95      | 340 MT          |
| 1995/96      | 380 MT          |
| 1996/97      | 420 MT          |
| 1997/98      | 400 MT*         |
| 1998/99      | 800 MT*         |
| <b>TOTAL</b> | <b>2,340 MT</b> |

\* estimate

market in Tambura reemerged. Local traders now travel to Uganda regularly to sell produce and buy commodities. Largely as a result of the market incentives that were created by CARE's barter and local grain purchase programs, farmers have been rapidly increasing their level of agricultural production, well beyond the level needed for household food security. The rise in output is demonstrated by the increasing area under cultivation every year and the increasing tonnage of grain and seed produced by farmers and purchased by CARE. Production has more than doubled, from 340 MT in 1994 to approximately 800 MT in 1999. The multiplier effect, witnessed in both the re-emergence of trade and surplus production as a direct effect of the transfer of goods and cash to the household level through barter and local grain purchase, has been the key to economic recovery.

CARE's work in Tambura has also assisted in reducing the costs of humanitarian assistance in the region. Through local grain purchase, CARE estimates that it has saved approximately \$1 million in the purchase and transport of grain and seeds to Bahr el Ghazal from Tambura.<sup>13</sup> In addition, CARE, in collaboration with the local authorities, has responded to humanitarian needs in Tambura County without external assistance. CARE and SRRA worked closely together to assess and investigate potential crises, formulate and plan appropriate responses, and jointly implement interventions. In 1995, 1996, 1997, and 1998 Tambura County received influxes of either Sudanese returnees or refugees from the CAR and the DRC. CARE and the local authorities jointly designed and implemented seed and tool distributions to the families. The most significant cost reduction measure is, however, found in the population's enhanced capacity to cope with future food shortages and disasters.

Through agriculture extension activities and demonstration plots, CARE's work has gone a long way toward improving the quality of surplus crops so that now the majority of crops produced are of seed quality.

As a result of its road rehabilitation program, CARE was able to reopen the primary network of roads using manual clearing and compaction methods. As a result

of the repair and maintenance of 300 km of road and the repair of bridges and culverts, CARE's work has succeeded in decreasing the travel time from Tambura to Yambio from eight to four-and-a-half hours. An additional 225 km of secondary roads linking clinics, schools, and markets with population centers were cleared of forest growth.

The communities and local authorities in Tambura County have also become more and more invested, and interested, in the activities initiated by CARE. This increased level of community investment was demonstrated in late 1997 when incidents of theft and intimidation that had hampered bartering operations dropped to zero after meetings with the cooperatives, community leaders, and military authorities in the county.

### Lessons Learned

After almost six years, CARE has learned a number of lessons about economic rehabilitation programming and local grain purchase.

#### *Cooperatives can increase the effectiveness of local grain purchase (LGP) programs*

Cooperatives had existed in the county before, but the conflict brought about their demise. The current lack of robust cooperatives has proven to be a major obstacle in the local grain purchase program. The logistics of grain and seed collection and transport is much more complicated when one has to deal with individual farmers versus farmers' cooperatives. In addition, without clear representation in the form of cooperatives, it is difficult to assess production levels and arrive at fair prices for grain and seed. Cooperatives are also vital to the sustainability of the program.

#### *Getting prices right is difficult, yet critical*

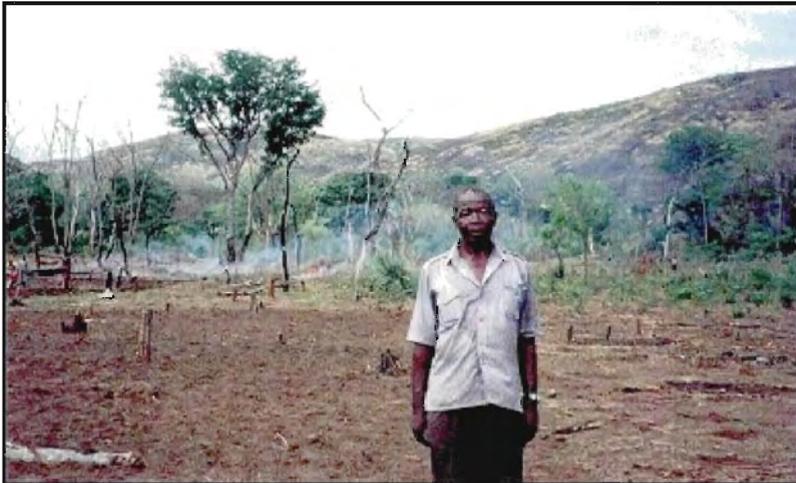
Since the transition to cash, CARE has struggled to find a fair and inclusive way to agree on a price for the grain and seed it purchases from farmers. It learned that to avoid being perceived as unfair, this process needs to be as inclusive and transparent as possible. It is necessary to be sensitive to the economic impact of the pricing decision. The larger the role that market forces play in determining the less likely it is that the decision will have an unintended negative impact on the economy.

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<sup>13</sup> Interview with Chris Necker, CARE/Tambura Program Manager, April 7, 1999. The savings are calculated by comparing the cost of purchase of seeds and grain in Tambura and its transport to Bahr el Ghazal with the cost of purchase from Kenya and transport from Kenya to Bahr el Ghazal.



**CARE/Tambura Demonstration Plot**



**Farmer who has benefited from CARE's LGP program**



**Farmers' clothing shops in the Tambura Market**

*Good information and estimates of potential surplus are important*

The CARE Tambura program demonstrates the importance of having accurate and reliable production estimates for local grain purchase programs. With a better understanding of potential production levels, LGP programs can plan and market more successfully. Without reliable information on the production potential, CARE was initially reluctant to consider expanding its LGP program.

*A successful economic recovery strategy targets both market access and market demand*

CARE's program in Tambura demonstrated the effectiveness of an integrated approach that targets both market access and demand. By repairing and maintaining roads, the program greatly improved market access. The local grain purchase program reestablished market demand for grain and seed, which served to stimulate surplus production. These two elements combined are paving the way to economic recovery.

## **World Vision International/Yambio**

### **Overview**

Yambio County, Western Equatoria, was taken by the SPLA in late 1990, but few relief agencies began programs in the county until a couple of years later. When World Vision International (WVI) first came to Yambio in 1993, they were responding to the needs of 50 thousand returnees from Zaire who were so destitute that many did not even own clothing or have access to any basic non-food commodities. This initial program, which first received funding from OFDA in FY1994, focused on primary health care, agriculture, income generation, and food programming.

As the program progressed, WVI saw the need to undertake high impact interventions. By 1995, its activities focused on three areas: agricultural recovery, local grain purchase (LGP), and enterprise development. Grain was purchased from local farmers in exchange for barter commodities and the grain was then transported by air to Tonj in the Lakes region. The LGP program was suspended in January 1996 because of increased costs of air transport, limited markets, and high costs of barter goods. OFDA funding was terminated in May 1996.<sup>14</sup> The situation, however, improved when the SPLA took control of the road from Yambio to Uganda in February 1997, enabling WVI to trans-

### **USAID Funding to WVI-Yambio (OFDA and FFP)**

|              |                      |
|--------------|----------------------|
| FY1994       | \$ 1,372,225         |
| FY1995       | \$ 1,073,778         |
| FY1996       | \$ 155,304           |
| FY1997       | \$ 750,222           |
| FY1998       | \$ 5,566,200* (FFP)  |
| FY1999       | \$ 1,481,600** (FFP) |
| <b>TOTAL</b> | <b>\$10,399,329</b>  |

\*Monetization program, through April 1999

\*\*Monetization program, May 1999 through April 2000

port commodities by road, and therefore reduce the costs of LGP significantly.

In 1997/98, the transition from barter to cash purchase was made with the WVI's implementation of a food monetization program, funded by USAID's Food for Peace (FFP) office. The food monetization program, also known as the Uganda/Sudan P.L. Title II Emergency Commodity Program, consists of FFP-supplied wheat being sold in Uganda for cash, and the Ugandan shillings then being used by World Vision to purchase grain from local farmers in Yambio County. Since the monetization program was launched, it has evolved into a multifaceted program involving not just the purchase of local grain, but also numerous other activities aimed at the recovery of the agricultural sector. These activities have included capacity building of local farmers associations, training of farmers in agricultural techniques, seed research, and training local women in the use and preparation of recently introduced crops such as soya bean. Activities funded by other donors, such as a local microfinance center and improved grain storage through GrainPro grain stores, have also evolved from this program. In May 1999, FFP renewed its funding for the food monetization program through 2000.

The World Vision approach has evolved with the project. The original approach was quite straightforward—the intent was to realize the potential for a thriving market economy in Yambio. Since then, and since the introduction of more WVI technical staff, the project has been able to broaden its approach in response to

<sup>14</sup> An amendment was made in September 1995 to the FY95 South Sudan Emergency Response Program to extend funding through May 1996.

both the challenges and opportunities found in the area. The initial impact of the monetization program was dramatic and resulted in the creation of a new set of needs, including improved farming techniques, seed varieties, grain storage, transport, financing, as well as improved access to market outlets. As WVI began to work in these areas, they saw how quickly the farmers were able to learn the basics of household economic management and the even greater potential for increased agricultural productivity. The ultimate goal, which WVI aims to achieve in the next two or three years, is a sustainable agricultural recovery program that is managed by local farmers associations.

It is important to note that World Vision's activities in Yambio built upon some of the infrastructure and resources that were in the region prior to the conflict. Yambio's Agricultural Research Institute (funded in part by USAID in the 1980s) was active until the mid-1980s when Yambio was still under GOS control. In addition, the Nzara agro-industrial complex in Yambio County provided some needed machinery and infrastructure to get agricultural processing underway again. The human resources and information available as a result of the past activities of these two institutions continue to be utilized by World Vision and other relief agencies working to rehabilitate the economy of Yambio.

### **Impact**

World Vision's food monetization program has reduced the costs of humanitarian assistance through the local purchase of grain and seed, fostered the development of a thriving market in Yambio, and reestablished the economic capacities of farmers and traders. Other positive impacts, while indirect and unanticipated, are perhaps equally significant. Conflict and crime in the area have decreased as a result of the rise in economic activity and the fostering of trade and cooperation between neighboring ethnic groups. In addition, the nascent civil administration is able to learn from World Vision's experience and to build on the progress already made. Tax revenues have also been generated and are being collected in an orderly and peaceful manner, although serious problems still remain with taxation policies.

Almost as soon as WVI first paid local farmers cash for grain and seed, a thriving market emerged in Yambio. The market, which before had only contained one store, now has stores and vendors of all types selling com-

modities ranging from batteries and condoms to textiles and locally produced honey; most of the goods are imported from Uganda and CAR by local traders. The quality of life for many of the farmers has increased substantially—now they can afford health care and purchase bicycles and other goods that enable them to produce, trade, and communicate more effectively and efficiently. In fact, Yambio now has two pharmacies (one funded under the PMPP pilot projects discussed in Phase Four) that not only sell a wide variety of pharmaceuticals, but also provide medical consultation and lab work.

The market demand generated by WVI's barter and local grain purchase programs succeeded in stimulating surplus agricultural production in Yambio. WVI purchased approximately 360 MT of seed from farmers in Yambio in 1998, in comparison to the 15 to 60 MT purchased in 1993/94. The seed is transported by road to Bahr el Ghazal, which compared to road or air transport from Kenya to Bahr el Ghazal results in a considerable savings. In addition, the seed itself, when purchased in Kenya, costs considerably more – one ton of groundnut seed in Kenya costs close to \$1,333, while in Yambio it costs only \$600. Because of success in seed production in Yambio, and the savings it implies, World Vision hopes to shift completely from grain to seed purchase this year. Their goal is to purchase 1,000 MT of seed.

### **Lessons Learned**

Many of the lessons World Vision learned are similar to those learned through the CARE Tambura program, particularly those related to the importance of having a mechanism for obtaining reliable estimates of surplus production and the need to target both market access and demand. In addition to these, World Vision's experience offers some lessons that are specific to the approach it has adopted.

#### *Regional food monetization can facilitate recovery in an emergency and transition context*

Although there are unique aspects of the Uganda/southern Sudan regional food monetization program, its success has shown that this approach warrants consideration, even in the context of a complex emergency. Both the existence of stable areas undergoing economic transition and the agreement between the Ugandan government and the SPLM to allow Ugandan shillings to be legal tender in southern Sudan contributed to this program's success. While these conditions may

not be replicated in other areas affected by ongoing humanitarian emergencies, regional monetization should not be dismissed as a possible approach until both the promotional and prohibitive aspects of the operating environment are assessed.

*Overextension is a danger*

One issue that WVI has had to grapple with is whether it is doing too much for the community rather than having the community doing many of those things for itself. When a need arose—whether it be improved transport, access to financing, or improved grain storage—World Vision took the initiative to meet the needs. Despite concerns of fostering dependency, the program implementers believe that they have chosen the correct approach because the local population would not necessarily have otherwise had the resources and capital required to effectively address all of their needs. Overextension, and the resulting potential for dependency, is a continual danger that should be considered and weighed by both donors and implementing partners when undertaking medium to long-term rehabilitation activities.

*Poor planning and communication can breed distrust*

World Vision had a challenge in winning the trust of the farmers in Yambio after it failed to purchase and collect all of the surplus grain they had produced. However, now that farmers' associations are forming and farmers' management capacities are increasing, these issues will be resolved. This problem might have been avoided if WVI had devoted more energy toward assessment and planning prior to implementation of the program.

*Build upon existing infrastructure and resources*

Both USAID and WVI recognized the potential of Yambio, in part because of the agricultural infrastructure that remained from the days of GOS control. WVI's activities in Yambio and other USAID-supported activities, have been able to build upon resources left behind by the Agricultural Research Institute and the Nzara agro-industrial complex. This experience demonstrates the importance of assessing the resources available in areas of proposed interventions as well as the importance of utilizing these structures and resources as much as possible when undertaking rehabilitation-oriented activities.

**Action Africa in Need (AAIN)  
Agricultural Support Program for  
Western Equatoria**

**Overview**

From March 1994 to March 1995, OFDA and German Technical Cooperation (GTZ) funded AAIN's Agricultural Support Program for Western Equatoria. The primary objective of the program was to contribute to an improved quality of life for people in the project area through increased agricultural production. It set out to achieve this objective through a number of activities, including seed and tool distribution, support for the extension service, support for marketing and cooperatives, introduction of appropriate agricultural techniques and technologies, bartering basic commodities for agricultural surplus, training of extension staff and community leaders, and capacity building.

| USAID Funding (OFDA) |                  |
|----------------------|------------------|
| FY 1994              | \$693,000        |
| <b>TOTAL</b>         | <b>\$693,000</b> |

The program, and its approach, grew out of a two-year (1993 to 1995) Agricultural Master Plan for Western Equatoria developed by SRRA and AAIN. Subsequently, county operational plans were developed in cooperation with local agricultural departments to be used as the basis of program implementation. This community-based approach was central to the program, and was considered fundamental to promoting sustainability and community ownership, two measures of success.

The primary activity of the project was seed and tool distribution to a limited target population. The seeds were high yield and early-maturing, and were a composite type, which enabled farmers to save their own seed for future planting. By the end of the project, which covered both seasons in 1994 and the first season in 1995, a total of 382 MT of seed and 195,500 tools were distributed to the resident population and the displaced people living in camps. In Mundri and Maridi counties, these inputs were received and distributed by community agricultural committees (CACs).

The program also included a planning workshop, refresher course for extension staff, and three workshops for community leaders. The extension training included proper methods for grain drying and storage and



**World Vision Demonstration Plot in Yambio**



**A well-stocked shop in Yambio (April 1999)**

general control of post-harvest losses. The agricultural program also helped to develop the SRRA's planning and managing capacity by establishing a counterpart structure and a management information system. In addition, AAIN established an agriculture mini-library in Maridi and helped renovate and furnish the offices of the Departments of Agriculture and Forestry in Maridi. In an attempt to introduce appropriate processing techniques to the region, AAIN installed two oil presses and a grinding mill in Maridi County.

While AAIN had originally intended to purchase surplus agricultural production from the local farmers in return for basic commodities, this program element was not entirely effective. This was partially due to OLS's failure to develop an information system (as had been anticipated) to report on the availability of agricultural surplus and transport. WFP had also intended to be able to purchase and transport the local surplus but this did not materialize because of a lack of funding for the purchases. Part of the need was met, however, by WVI, which hired trucks to move some of AAIN's bartered surplus.

OFDA input and a GTZ evaluation mission in late 1993 both helped shape the AAIN approach. Despite OFDA's initial support of the program and its approach, it decided not to fund the project in its second year because of its concerns about ineffectual AAIN management at the program's start and lack of commitment among field staff to ensure that inputs were fairly and transparently distributed. The lack of anticipated support from OLS and WFP also contributed to the program's failure to achieve its objectives.

### **Impact**

The AAIN Agricultural Support Program was the first to provide tangible proof that food production in Western Equatoria could be substantially increased in a very short period of time. Timely distribution of seeds and tools, coupled with favorable climatic conditions, enabled farmers to reap bumper harvests. AAIN estimated that, with the seeds distributed through the program, 9,360 MT of food was produced at a local value of \$1,133,500. By the end of 1994, farmers were able to barter surplus grain for essential items such as salt, soap, cooking pots, and clothing. The project succeeded in providing gainful employment, reducing the population's dependence on relief agencies, and contributing to reduced relief costs. An OLS study conducted in late 1994, prior to the opening of road

access from Uganda to Western Equatoria, concluded that the cost-benefit ratio of producing food locally was 1:25 as compared to importing food.<sup>15</sup>

The AAIN Agricultural Program was also somewhat successful in mobilizing and sensitizing the communities to the concept of community participation in agricultural activities. By the end of the program, in both Maridi and Mundri counties, 20 CACs were formed and functioning. The CACs proved to be a vital link between the Department of Agriculture and the farmers, especially in distributing inputs and collecting surplus grain for bartering.

Despite progress in certain areas, OFDA did not consider the overall program a success because of the problems discussed above. The program's impact could have been far greater had it been better managed and had expectations been met with regard to coordination with, and support from, OLS and WFP. The program's termination after just one-year meant that its overall effect on the region's rehabilitation was minimal.

### **Lessons Learned**

*Surplus food production is unsustainable without markets*

AAIN was, like other relief agencies that have become engaged in agricultural programs, somewhat unprepared for the success it experienced. While the program proved that surplus production was possible in the region, AAIN came to realize that, without market outlets, there would be no incentive for farmers to increase production and improve agricultural techniques and crop varieties. Without WFP's contribution in terms of purchasing and transporting surplus production, the market outlets were insufficient.

*Local production of tools is desirable*

At the time of the AAIN Agricultural Program, there was no local production of agricultural tools. The local blacksmiths were able to make knives, arrowheads, and tobacco pipes but not agricultural implements. When AAIN submitted its end of project report, it recommended that efforts be made to initiate local production of appropriate tools to reduce the dependency on imported tools.

*Building capacity is key*

AAIN recognized that its approach was innovative and unique in many ways. While other relief programs at

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<sup>15</sup> Ibid, p. 16.

the time were mainly involved in providing emergency inputs and treating emergency symptoms, AAIN sought to implement sustainable solutions that would build the capacity of the community to withstand future disasters and wean itself from dependence on relief assistance. In the final project report, AAIN stressed that the community needed assistance to organize itself and to acquire the necessary skills and knowledge. It identified capacity building as vital to rehabilitation, and suggested that it would be a long-term undertaking.

*Program management is vital to success*

Despite OFDA's initial support for the program and the innovative activities it proposed, its hopes were quickly dashed by what it perceived as inadequate program management. With an agricultural manager who rarely in the field and, when in the field, rarely left the AAIN compound in Maridi, the program was severely handicapped. AAIN's subsequent inability to fill this position quickly cast further doubt on the wisdom of supporting the program. The lesson for OFDA was that—no matter how good an idea might be—it will succeed only if it is well managed and effectively implemented.

## Terra Firma/AAIN Road Project

### Overview

In late 1993, OFDA funded AAIN to manage and supervise a road project that would be implemented by the Terra Firma Company. The project was designed to repair the vital roads that linked Kaya (at the Uganda border) with Western Equatoria and Bahr el Ghazal. At that time, these roads were in poor condition and impassable during the rainy season—relief supplies could not be transported by road. Between the time of project design and implementation, however, the Kaya-Kagulu road was closed when GOS forces took control of Kaya and the main roads leading to Yei in early 1994.

| USAID Funding (OFDA) |                    |
|----------------------|--------------------|
| FY 1993              | \$1,382,440        |
| FY 1994              | \$ 98,000          |
| <b>TOTAL</b>         | <b>\$1,480,440</b> |

This meant that trucks had to be diverted from Arua through (then) Zaire, up to Kagulu (west of Yei) and onto Maridi and points north, east, and west. Despite the expensive Zaire diversion, the main road to Maridi and beyond was still vital to internal transport and the Terra Firma/AAIN project focused on this stretch.

The road project included funding for the rehabilitation of road equipment that had been made available by the SPLA/SPLM. After the project was completed, the equipment was to be left with the SPLM so that it could be used by the movement to maintain roads.

### Impact

The Terra Firma/AAIN road project had significantly less impact than expected because of poor management and corruption. In spite of AAIN's contractual management role, AAIN internal management problems and its inadequate supervision allowed Terra Firma to cut corners. OFDA was forced to take on a more supervisory role when it realized that Terra Firma was not achieving the agreed-to maintenance standards. Only after OFDA threatened to drop the road project did Terra Firma begin to improve its performance.

It was also discovered that Terra Firma had made deals with some local authorities to buy (at less than market value) some of the equipment that OFDA had refurbished. At the end of the rather short-lived project, Terra Firma moved additional refurbished equipment across the border to Zaire and Uganda without permission or payment to anyone.<sup>16</sup>

Despite these problems, OFDA's first experience supporting a road repair and maintenance project in the region did not deter it from supporting other efforts. The MEDIC/IAS Road Maintenance and Repair Project (discussed in Phase Four) took up where Terra Firma/AAIN left off and has done an outstanding job at a greatly reduced cost. Meanwhile, there is an increased awareness among donors that transport and trade linkages are critical to economic rehabilitation.

### Lessons Learned

As mentioned above, the failure of this particular project did not diminish interest in repairing and maintaining roads in the region. The lessons learned were more specific to this project and could be summarized as the importance of ensuring adequate supervision and management. The lesson has also been learned that Terra Firma should not receive funding by USAID in the future.

<sup>16</sup> In 1996, a senior staff member of Terra Firma was arrested in Yei by the SPLA and held in custody until compensation for the stolen vehicles was received.



# Phase Two: Support for Local Economic Rehabilitation Initiatives (1994 to 1998)

It did not take long for the Phase One activities to restore trade and economic activity to the level where local groups began considering establishing (or reestablishing) small-scale enterprises. USAID was quick to seize this opportunity to further economic rehabilitation by funding the CRS Umbrella Grant program to provide small grants to these community groups.

## CRS Umbrella Grant

### Overview

CRS began work in southern Sudan in 1989 as an activity of its Kenya program. While the main thrust of CRS's work at this time was provision of relief food, a few years after it began operating in southern Sudan, it recognized the need for a more comprehensive approach. It was at this time that CRS began to include flexible community-based rehabilitation activities into its portfolio of activities in the region. Since then, CRS has merged the relief, rehabilitation, and development components of its Sudan program to serve the common long-term objective of assisting the southern Sudanese in their efforts to move themselves toward an economically and physically secure environment.

The USAID Sudan team worked closely with CRS to design the Umbrella Grant, a program aimed at supporting projects proposed and developed by Sudanese organizations to assist communities in Eastern and Western Equatoria. In 1994, OFDA began to fund this project as one of the first that demonstrated the shift in strategy to support more rehabilitation-oriented activities. CRS's record of undertaking rehabilitation and development oriented activities in southern Sudan weighed in its favor and its focus on providing assistance at the community level distinguished it from others. The Umbrella Grant was seen as a pilot project and was given enough flexibility to respond to the needs of communities as they arose. OFDA continued to fund the Umbrella Grant on an annual basis through September 1998. CRS's current Grant Making and Capacity Building (GM/CB) Project, funded with development assistance funds as part of the Sudan Transition and Rehabilitation (STAR) program, builds on the Umbrella Grant experience.

The Umbrella Grant targeted agriculture, food security, income generating activities, and primary health care (including water and sanitation). In addition to providing support for initiatives in these sectors, the project aimed at increasing the organizational and managerial capacities of the indigenous implementing organizations. The criteria for organizations seeking umbrella grant funds were that they: be Sudanese organizations with personnel in the project area; represent and have the support of the members of the communities in which they worked; be capable of mobilizing local resources toward the objective of the proposed project; and have participatory decision-making procedures regarding project identification and implementation. Initially, the Umbrella Grant covered Yambio and Chukudum and, following takeover of the Yei and Kajo Keji, expanded in 1997 to cover these areas.

Most health projects supported by the Umbrella Grant focused on improving the basic health infrastructure, particularly through increasing access to potable water, improving sanitation conditions, and establishing permanent health structures. The agriculture projects concentrated on the use of ox-plow technology to increase production capacity, small livestock, fishing activities, and oilseed cultivation and processing. Activities supported in the area of income generation included those focused on production, trade, services, or transport. Examples of projects supported in this sector are bicycle repair, donkey transport, tea shops, soap-making, carpentry, barter shops and metalworking. Over the course of four years, the Umbrella Grant devoted an increasing percentage of its overall grants to income generating projects, so that by 1997/98, 49 percent of all projects were in this sector.

### USAID Funding for CRS Umbrella Grant (OFDA)

|              |                    |
|--------------|--------------------|
| FY 1994      | \$1,062,062        |
| FY 1995      | \$ 480,422         |
| FY 1996      | \$ 307,362         |
| FY 1997      | \$ 640,268         |
| FY 1998      | No cost extension  |
| <b>TOTAL</b> | <b>\$2,490,112</b> |

The flexibility of Umbrella Grant allowed it to respond to emergencies in a rapid and effective fashion and be able to rapidly identify and address needs and gaps in the responses of other organizations. The small size of the grants and loans also allowed CRS to accept the risk inherent in funding innovative enterprises. However, the Umbrella Grant did not have the flexibility to fund individual entrepreneurs, regardless of their proposal's merit. This limitation was later addressed by the CRS-managed PMPP pilot project activity (discussed in the phase four section).

### Impact

Although CRS did not collect hard data on the direct impact of activities supported through the Umbrella Grant, there is evidence that the support provided through grants and loans contributed to the overall rehabilitation of the region. In those areas where CRS-supported projects facilitated trade, production, marketing, and transportation, it witnessed the stimulation of markets and production levels, the enhancement of community self-reliance, and the rehabilitation of livelihoods. As a result of CRS assistance, there has been a revival of many lost livelihoods while the influx of new enterprises and the need for new inputs stimulated many groups and individuals to utilize their previously neglected skills.

CRS estimated that approximately one-quarter of the projects supported by the Umbrella Grant generated benefit beyond the original project, either through spin-off project activities or through the transfer of skills. In addition, out of 47 projects funded, CRS categorized 70 percent as either sustainable or showing strong potential for sustainability. Other less quantifiable impacts have been the refocusing of the population on socio-economic concerns and empowerment of beneficiaries and their communities.

The impact of Umbrella Grant activities on one of the target groups—women—has been quite significant.

| <b>Results</b> |  |
|----------------|--|
| •              | Facilitation of 47 rehabilitation projects developed and implemented by 43 different Sudanese organizations. |
| •              | Assistance to 387,402 project participants in 110 communities through rehabilitation projects.               |

Through certain grant activities that primarily benefited women's groups, women have been given the opportunity to enter traditionally male professions and restore family income lost due to the absence of men, many of whom have died or are fighting.

### Success Stories

#### *New Sudan Women's Association of Yei County Sunflower Seed Oil Production Project*

This activity, which received funding in July 1997, aimed to increase household income through oilseed cultivation and processing by four women's groups in Yei County. Less than one year later, the group had the capacity to produce 560 liters of oil per month—a significant contribution toward local needs. CRS purchased some of the oil produced by this group and distributed it to vulnerable populations in displaced camps. This project was later supported by an additional grant from the CRS PMPP Pilot Project funds (discussed in the section on Phase Four).

#### *Ombasi Traders Association*

This rural-based traders' association in Yei county is comprised of members with clear vision and demonstrated determination (they even traded in the midst of active warfare). Because of their persistence and ownership of their activities, their success has been especially notable. Recently, they sold 10 MT of coffee in Kampala. Because of their growth, they have been able to expand to Yei town.

### Lessons Learned

The CRS Umbrella Grant was viewed as a pilot activity by both CRS and OFDA. By providing loans and grants to local efforts in health, agriculture, and income generation, it ventured into waters seldom tested by relief agencies. The identification of lessons learned was central to the Umbrella Grant process and contributed substantially to the evolution of the project. During the process of designing the Grant Making/Capacity Building program, CRS also incorporated lessons learned from the Umbrella Grant.

#### *Determine the appropriate funding mechanism*

Under the Umbrella Grant, CRS struggled with the issue of when to give grants versus loans and whether or not and how loan repayment should occur. Under the GM/CB program, this issue is still being wrestled with. However, CRS has observed that success is more likely when a group understands that something is expected

back and that the whole community is meant to benefit from the project. Success is also more likely when groups contribute to overall funds—this ensures ownership.

#### *Limited absorption capacity of indigenous groups*

Absorption capacity of indigenous organizations is limited because of the obstacles of the operating environment. Some of the biggest constraints are lack of transportation and financial institutions, and insecurity. Counterpart organizations also require a significant amount of monitoring and implementation assistance.

#### *Hiring qualified Sudanese staff is both feasible and beneficial*

CRS has found that, by coordinating with Skills for Southern Sudan, a UK-based placement agency for qualified southern Sudanese professionals, they can fill posts with Sudanese and contribute to building the capacity of Sudanese professionals to rebuild their society.

#### *Experienced staff are crucial*

CRS staff has learned a great deal from past successes and failures under the umbrella grant. This sort of experience is extremely valuable and critical in ensuring future success. For this reason, CRS has careful to keep on former UG project managers for the GM/CB program. As a result, models from previous activities will be used to expedite the project development process.

#### *Organization capacity building is a high priority*

Capacity building must go beyond bookkeeping and include other important issues such as problem-solving, group dynamics and visioning. It is also best, in many cases, to build the capacity of an organization before giving them funds. Facilitation of outside technical advice in circumstances where the assistance was not available locally can produce very favorable results (e.g. soap making and tire sandal production improvements after consultancy).

#### *Community ownership is key to success of projects*

Projects undertaken by community groups have a greater likelihood of being sustainable. In order for projects to mature and become sustainable, there needs to be ownership of the activity by those involved, as well as clear and strong leadership and direction. When the UG started, CRS had to urge groups to be created but, as they began to fund groups, more and more groups became interested. Some groups formed just for the money and the short term of the UG contract and the need to show results quickly fostered acceptance of these groups. With the GM/CB, this is not the case, managers are aware of the dangers in funding such groups.

#### *Local authorities can not be left out*

In order to avoid tension with the local authorities, they must be brought into the decision-making process. When CRS began the UG, they failed to do this, although the civil administration structure was not as well established then. The GM/CB project is avoiding these tensions by introducing the project to the local authorities and involving them in the decision-making of the County Development Committees. There also needs to be cooperation and coordination with the local authorities in setting and implementing appropriate policies (such as those relating to taxation) that will support the rehabilitation of the economy.

#### *The level of risk inherent in grant and loan-making activities needs to be considered*

As CRS has found, there will always be some risk involved in a program where loans and grants are given to local groups. Although experience has given CRS the ability to better distinguish good candidates for funding from those likely to go nowhere, there will never be a system to ensure a 100 percent success rate and 100 percent loan repayment rate. Some would also argue that, by giving such small loans and grants, the relative risk is actually quite minimal. However, in order to prevent undue criticism of this type of activities, there should be more transparency on the side of the both the donor and the implementing partner with regard to how much risk (and failure) is to be expected, and tolerated.



# Phase Three: Strengthen Non-OLS NGO Capacity and Rehabilitate Yei (Beginning in 1997)

Although OFDA had been funding some non-OLS NGOs to undertake activities in difficult areas of conflict prior to 1997, pressure mounted within the U.S. Government in 1996/97 for more assistance to be given to NGOs operating outside of the OLS structure in southern Sudan. The repeated denial of access to areas in need by the GOS, and the OLS compliance, had led to a push for more assistance to be channeled to non-OLS NGOs that did not have to comply with GOS flight bans. There was also frustration with the overall effectiveness of OLS and a desire to build the capacity of the relief agencies that operated outside of the OLS umbrella so that they could carry out a greater proportion of the relief and rehabilitation activities.

Another significant shift that led to USAID's support of the NPA Agricultural Program in Kajo Keji and Yei was the GOS loss of Yei to the SPLA in March 1997. Yei County was key to the economic revitalization of Western Equatoria, not only because of its agricultural potential, but also because it was the missing link in the trade route from northern Uganda to Western Equatoria. The NPA program became the mechanism of USAID support for economic recovery in these key counties.

## Norwegian People's Aid (NPA) Agricultural Program in Kajo Keji and Yei River Counties

### Overview

In 1997 Norwegian People's Aid (NPA) began a program to assist returnees, internally displaced people, and resettled households in Yei County, Western Equatoria, and Kajo Keji County in Eastern Equatoria. The activities, which included seed and tool distribution and agricultural extension and training, aimed at ensuring that the targeted households had the basic resources and skills to produce or access sufficient food to meet their food needs.

Targeted distribution of seeds and tools (pangas, ox plows and hoes) were undertaken to enable households

to maximize their agricultural production through the cultivation of larger pieces of land. The distribution of seeds and tools was meant to enable the households to spend their time cultivating rather than searching for the necessary inputs.

| OFDA Funding to NPA* |                    |
|----------------------|--------------------|
| 1997                 | \$1,294,178        |
| 1998                 | \$1,814,139        |
| 1999                 | \$1,704,512        |
| <b>TOTAL</b>         | <b>\$4,812,829</b> |

\* This does not include FFP funding for this program.

NPA recognized the need to build the capacity of both the communities and the local authorities to improve the quality of agricultural activities. In collaboration with the SRRA, the NPA implemented a capacity training program that aimed to assist extension workers, farmers, and communities become effective in initiating processes and practices that enhance agricultural production. The ultimate goal was to have extension workers, farmers and communities manage their own agricultural development without assistance from outside relief agencies.

### Impact

The distribution of seeds and tools succeeded in increasing the amount of land cultivated and allowing households to plant and harvest for two seasons each year. In addition to the seeds supplied by NPA, the beneficiaries were able to obtain local seeds and cassava cuttings using their own means. However, in the first planting season of 1998 NPA failed to distribute the agricultural inputs in time for the planting season and this impeded production, perpetuating the people's need for continued food assistance. Poor planning and logistical difficulties were the causes of the delayed distribution.

Ninety-seven extension workers were trained in a two-week training conducted by the NPA and SRRA. The action-oriented training covered an introduction to basic agriculture, field crop husbandry, agricultural

extension, vegetable production, and local pest management. In Kajo Keji county, the trained extension workers have been successful in providing practical training to communities, motivating communities, and using demonstration plots to demonstrate techniques to farmers. In Yei County, however, a lack of available transport impeded the activities of extension workers.

The NPA also trained 16 extension workers to become trainers in crop husbandry. Along with technical skills, the training addressed communication skills. These trainers in turn trained 428 farmers in crop husbandry, using methods that enhanced the sharing of learning experiences.

An August 1998 evaluation of the NPA project found that, overall, it had a significant impact. However, it concluded that the impact at the household food production level had been small primarily due to external factors, such as pests, diseases, and lack of rainfall.<sup>17</sup>

## **Lessons Learned**

### *Importance of coordination, cooperation, and consultation*

The 1998 evaluation of the NPA program found that coordination, consultation, and cooperation with the SRRA and the local communities was vital to the overall program. Regular planning and coordination meetings were used to promote continuous information sharing and dialogue between different stakeholders for effective realization of program objectives.

### *Importance of encouraging participation of beneficiaries*

NPA was successful in actively involving the beneficiaries and civil authorities at every possible stage in the agricultural program to promote efficiency and effectiveness. This approach was also effective in building the capacity of the local counterparts and in generating local support for the program.

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<sup>17</sup> "NPA's Agricultural Program, Kajo Keji and Yei River Counties, New Sudan: Evaluation Report" (August 1998).

# Phase Four: Transport, Economic Recovery, and Trade (Beginning in 1997)

The opening of the road and trade route between Uganda, Western Equatoria, and Bahr el Ghazal in 1997 was identified by USAID as being key to the economic recovery of the continually expanding secure area that, by that time, included Western Equatoria and the portion of Eastern Equatoria to the west of the Nile River. In order for the maximum economic benefit of the opening of this trade route to be realized, there was a need for road repair and maintenance, as well as increased local production and trade between regions and between southern Sudan and the neighboring countries. The MEDIC/IAS road project sought to repair the roads while the CRS PMPP Pilots sought to support economic initiatives undertaken by local entrepreneurs. The combined effect of these two USAID supported programs has improved trade and transport linkages and further economic recovery in the region. The efforts under this phase also contributed to increased use of road transport and purchase of local grain and seed to meet the needs of Sudanese in Bahr el Ghazal during the 1998 famine.

## MEDIC/IAS Road Maintenance and Repair Project

### Overview

In April 1997, after the SPLA established control in Yei, the road linking Uganda via Western Equatoria to Bahr el Ghazal was reopened after having been closed

and neglected for a number of years. Road maintenance had been abandoned, and the region was suffering from a lack of road access linking the markets and economies of East Africa to those in southern Sudan. In June 1997, MEDIC/IAS began a road re-

habilitation and repair project in Western Equatoria to begin to make the repairs needed for improved trans-

port. This project, which was extended and continues today, is aimed at decreasing the cost of transport to and within the region, stimulating the local economy by encouraging local farmers, producers, and enterprises to produce surplus products for the regional market, and increase overall food security in south Sudan.

The community-based MEDIC/IAS roadwork program focused in its first year on the road from the Sudan-Uganda border at Kaya to Yei and Tore. In its second year, the program focused on the road from Rasolo to Maridi, as well as on road machinery rehabilitation and repair, preparation of supplies and equipment for dry season intensive roadwork, and the continuation of road repair and clearance. The primary work force for these activities has been community-based work groups who are compensated with WFP-supplied food in addition to soap, salt, clothing, blankets, and cooking pots. Road graders and other equipment have been collected locally from previous projects, repaired and utilized in ongoing road work.

The current phase, which will extend through November 2000, focuses on expanding the mechanical and community-based road work into Bahr el Ghazal via Maridi, Mvolo, and Rumbek. MEDIC/IAS also intends to implement a pilot project to establish small-scale edible oil and soap production units in selected shea and palm producing areas of South Sudan. This project will include testing and improving technologies, locating internal markets, collecting information on future production locations, developing production by small-scale community groups, and developing marketing and storage recommendations. In addition to helping the fledgling economy, the soap and oil will be used by MEDIC/IAS as incentives and food for work items to compensate community-based roadwork activities.

### Impact

The overall impact of the MEDIC/IAS Road Maintenance and Repair Project has been to successfully keep open the road route from the Uganda border to Yei and Maridi. Three major bridges have been rehabilitated and road repair equipment from earlier road projects

### USAID Funding to MEDIC/IAS (OFDA)

|              |                    |
|--------------|--------------------|
| FY1997       | \$ 716,533*        |
| FY1998       | \$ 372,940         |
| <b>TOTAL</b> | <b>\$1,089,473</b> |

\*includes water project in Lakes

has been successfully mobilized and rehabilitated. The improved road route has contributed in numerous ways to the economic recovery of the region. It has allowed for the delivery of supplies and personnel to locations of most relief and development projects in Western Equatoria and into Bahr el Ghazal and, as a result, it has gone a long way toward reducing the transport costs of food aid.

Community participation in road repair and maintenance has been critical to the program's success. In addition, the project has provided individuals and groups with a means of obtaining food for work and incentives during a period of local supply scarcity. Families and individuals who have resettled in the project area from refugee and displaced settings have been assisted in reestablishing homes and farms by the food for work and other incentives available to them through the road work project.<sup>18</sup>

The success of the MEDIC/IAS project has also demonstrated to donors the importance of supporting road repair. There is now a heightened sense of the importance of roads in reviving trade linkages from the farm to the market.

**Lessons Learned**

*Road repair and maintenance has far-reaching impact*

Effective road repair and maintenance programs are critical to overall economic recovery in areas where the transport infrastructure is in disrepair or is non-existent. For a relatively low cost, these programs have the potential to improve market access, increase trade, reduce relief costs, provide needed commodities to community workers, and foster overall economic rehabilitation. For this reason, donors and relief agencies should continue to give top priority to road repair and maintenance, and seize opportunities as they arise.

*Integration of road repair with broader rehabilitation activities should be encouraged*

Although the MEDIC/IAS small-scale enterprise pilot project has not progressed enough to measure its impact, the use of locally produced oil and soap as incentives for community based road workers is likely to create positive effects, both direct and indirect, on

<sup>18</sup> "MEDIC/IAS Road Maintenance and Repair Project: Kaya-Yei-Maridi, South Sudan Project Report, May-December 1997" (1998).

economic rehabilitation in the targeted area. This initiative, if proven successful, could become a model for integrated road and economic recovery activities.

**Grant for Agricultural Economic Rehabilitation in Western Equatoria: CRS PMPP Pilot Projects**

**Overview**

During the course of the CRS Umbrella Grant a number of promising proposals were submitted by individuals. However, because the activities were proposed by individuals rather than groups, the Umbrella Grant could not fund them. The Grant for Agricultural Economic Rehabilitation in Western Equatoria came into being, therefore, to allow for funding of individual initiatives. The objective of the grant, which was funded by OFDA/PMPP and administered through the U.S. Department of Agriculture, was to "provid[e] small grants to specific individuals experienced in economic activities involving production, marketing, and transportation...[and to have the] effect of jump-starting certain product and service economies and [as] a renewal of local capacities." Other characteristics that set this program apart from the CRS Umbrella Grant and the current CRS Grant Making and Capacity Building (GM/CB) program are the simplified proposal submission and approval procedures, and the requirement that a portion of each sub-grant be provided as a loan.

| USAID Funding for<br>CRS Pilots<br>(through OFDA/<br>PMPP-USDA) |                 |
|---|-----------------|
| FY1998  | \$50,000        |
| FY1999  | \$44,000        |
| <b>TOTAL</b>  | <b>\$94,000</b> |

The size of the grant for the pilot projects was considerably smaller than all other projects undertaken by OFDA in the region. The project was initially funded with \$50,000 but, in September 1998, USDA amended the grant and added \$44,000 in part to facilitate the establishment of a grain production and storage project of the Maridi Farmers Association. This sub-grant was for \$30,000, while all others ranged between \$1,500 and \$19,348. Grants of more than \$5,000 were given only in cases where it was projected that the level of expected profit generated by the project would merit the additional funding.

## Projects Funded Through the CRS Pilots Grant

| Project   | Description   |
|---|---|
| <b>Nzara Machine Shop Project</b><br>\$19,348                     | Using the machine shop left behind by the Nzara agro-industrial complex, the Center for Agricultural Tools and Processing Equipment (CATPE) uses scrap metals to produce agricultural implements such as hoes, slashers, rakes, and buckets.            |
| <b>Maridi Grain Storage and Marketing Project</b><br>\$30,000     | Support to the well-established Maridi Farmers Association (MFA) to assist them in their efforts to improve grain storage and technical capacity so that local production of surplus grains and seed could increase.                                    |
| <b>Rumogi Brick Making</b><br>\$2,950                             | To increase the local brick-making capacity to meet Kajo Keji's reconstruction needs. The production target was 150,000 bricks every three to four month cycle.   |
| <b>Bori Carpentry Workshop</b><br>\$2,900                         | Loan to build the workshop's capacity to produce furniture and timber. Grant for training and study tour. Loan repayment fund used to renovate primary schools in Kajo Keji county.   |
| <b>Cash Crops Seed Production and Marketing</b><br>\$7,000        | Initiative to reduce Kajo Keji's dependence on relief seeds and to rehabilitate traditional and high performing cash crops in the area. Project imported and multiplied seeds and then sold to farmers and general population.                          |
| <b>Lulu Nut Collection and Marketing</b><br>\$1,500               | To enhance the value of the lulu nut as a local natural resource in Kajo Keji. Included buying the nuts from the local population and selling them to growing market in Uganda. Also intended to produce lulu oil locally, but this did not take place. |
| <b>Multiline Pharmacy</b><br>\$5,500                              | For the purchase of pharmaceuticals in Uganda so that a group of local pharmacists could start a private pharmacy to serve the local needs in Yambio.   |
| <b>Sanduk Sanduk Women's Savings</b><br>\$3,260                   | Loan to a Yambio women's group saving scheme to develop members' businesses in soap making, tea shops, brewing and trading.   |
| <b>Yei Sunflower Seed Oil Marketing and Production</b><br>\$4,500 | To further profitability and increased benefits of sunflower seed oil production and marketing in Yei. Projected production for 98/99 was 21,420 liters oil and 50 MT seed cake and projected net sales of \$40,000.                                    |

The nine projects that were funded through the grant varied in both their scale and focus. Although the original intent was that individuals would be funded, half of the projects funded were proposed and implemented by groups. The funding of groups came about because, after the Umbrella Grant ended and before the GM/CB program began, there was no other funding mechanism for worthwhile activities proposed by groups. Five of the nine projects funded were directly linked to agricultural production, all nine were given to groups or individuals with experience in the activities supported, and two were implemented by women's groups.

### **Impact**

Due to the lack of baseline economic data for the communities where the projects have been implemented, measurement of impact relies on observations on the extent to which the production and trade activities of the various projects have contributed to the economic transition currently underway in Western Equatoria. The nine agricultural and economic rehabilitation pilot activities have had a positive impact in the region in terms of improving and increasing production, employment, and income generation. In addition, the individual projects have helped to link international relief and community rehabilitation initiatives, especially in the area of agriculture.

The grant document defined program success as "viability of individual enterprises and the effect of the initiatives in rebuilding the economy." Based on this definition, the project's success has been quite high. The majority of the projects funded, which have all been operating from six to 12 months, appear to be moving toward sustainability and contributing to the rehabilitation process. However, the Bori Carpentry Project and the Lulu Nut Collection and Marketing Project appear to be in jeopardy because of difficulties involving, primarily, sales and production. In terms of economic impact, all the projects have created a wider impact in terms of creating employment and other economic opportunities, all have demonstrated the potential for increased levels of production, and many have established linkages to groups involved in other relief and rehabilitation activities.<sup>19</sup> Another less direct impact is related to the development of the civil adminis-

<sup>19</sup> Elizabeth Rowley, "Program Review, USDA/PMPP Grant for Agricultural Economic Rehabilitation in Western Equatoria, Southern Sudan" (June 22, 1999).

tration in Western Equatoria. The existence of groups and individuals engaged in formal production and trade has served to encourage local authorities to devise and implement relevant policies and regulations. Finally, and perhaps most importantly, these activities have contributed to increased self-sufficiency of the community.

### **Success Stories**

#### *Maridi Farmers Association Grain Storage*

The Maridi Farmers Association was created in the early 1990s and first received support from UNICEF in 1994. Despite the withdrawal of UNICEF support in 1995, the MFA remained active and produced between 10 and 60 MT of grain per year. In late 1998, CRS issued a grant of approximately \$30,000 to help cover the salary of technical staff, the renovation or construction of grain stores, organization capacity building, and storage materials and equipment. The MFA now has 446 farmers registered as members and, in the first season of 1999, it was able to produce between 700 and 800 MT of maize and sorghum. The seed produced by the MFA was found to have 95 percent or higher germination rate – significantly higher than seed purchased in Kenya or Uganda.

#### *Rumogi Brick Making*

This project is implemented by two brothers in Kajo Keji who were trained in the trade of brick making by their father. Activities began with a \$2,950 grant from CRS in November 1998 and, as of March 1999, 216,000 bricks had been produced and a total of 46 men and women were employed by the enterprise. While the project has succeeded in selling only 10 percent of the bricks it has produced, several NGOs have placed orders. Local authorities have also purchased bricks for the construction of a community center. Lack of transportation has been an impediment to selling the bricks in local markets and in more remote markets such as those in Northern Uganda. Eventually, the enterprise plans to expand into other areas such as tile making and grinding mills.

#### *Nzara Machine Shop Project*

This project, which has converted the machine shop of the former Nzara agro-industrial complex into the Center for Agricultural Tools and Processing Equipment (CATPE), produces hoes, slashers, pangas, axes, rakes, diggers, and buckets from scrap metal. With help from a grant of \$19,348, CATPE began production in May 1998 and sold its first tools in August 1998. As of the end of February 1999, it had produced

1,762 implements and had received orders for approximately 5,000. CATPE has sold tools to CARE and both MFA and the Yei County Department of Industry and Mining have placed orders. The tool shop generates additional income through the fees it charges for use of its grinding mill. Once it receives the necessary machine parts, CATPE hopes to produce processing equipment such as grinding mills, fruit dryers, and coffee and rice hullers. CATPE employs 19 people and is now the only place in Nzara where one can get both training and steady employment. The biggest constraints for this project have been the lack of transportation, the lack of necessary machine parts, and competition with relief distribution of free tools in the area.

### Lessons Learned<sup>20</sup>

The Grant for Agricultural Economic Rehabilitation in Western Equatoria was meant to serve as a funding mechanism for pilot projects. The small size of grants warranted risk-taking with the idea that lessons learned from these initiatives would help to instruct future efforts aimed at economic rehabilitation. Despite the small size of these activities, quite a number of lessons relevant to funding small-scale enterprises in the context of a complex emergency can be learned from them.

*There can be a high return in funding enterprising individuals, but risk is involved*

Funding to individuals within an emergency context can be risky, given that responsibility for the activities rests with one person who, alone, may be more subject to displacement and other pressures of the environment than a group. Group solidarity can facilitate success over threats to project viability. However, community groups may face problems involving group dynamics and project ownership, and are themselves not immune to the difficulties of working under chronic emergency conditions. Furthermore, individuals have a role to play in economic rehabilitation and rehabilitation opportunities led by individuals should not be overlooked.

*Flexible funding and a quick proposal approval process are critical for local initiatives*

The Umbrella Grant experience showed, and the CRS/PMPP pilot activities reconfirmed, that flexible timing

of funding is key in the support of local initiatives. Especially in the case of activities involving agricultural production, it is imperative to time funding to complement the agricultural production cycle. The funds themselves must be readily available and the sub-grant approval process must be expeditious. CRS found that the approval process for proposals by individuals was considerably less time consuming than group proposals.

*There is a symbiotic relationship between economic and agricultural rehabilitation and the establishment of local civil administration*

The existence of groups and individuals engaged in formal production and trade serves to encourage local authorities to devise and implement relevant policies and regulations. While, in some cases, the policies created have not all served to promote economic advancement, the creation of the policies is, in itself, part of a positive process of the development of civil authority in the opposition held areas of southern Sudan.

*Rehabilitation initiatives, especially in agriculture, are often undermined by the negative impact of concurrent relief activities on local markets*

Both the Nzara Center for Agricultural Tools and Processing Equipment and the Maridi Farmer's Association have been hindered in their marketing by having to compete with distributions by relief agencies. The MFA should ideally be able to market grain to populations in Bahr el Ghazal directly, along the lines of trade relations that existed before the current conflict. However, relief distributions in Bahr el Ghazal prevent these trade linkages from being reestablished. CATPE also has to compete with relief agencies that continue to distribute free tools to populations in Western Equatoria.

*Lack of marketing and transport are the most common impediments to project success*

Poor roads and lack of adequate and affordable commercial transport, has impeded the efforts of economic initiatives by impeding access to markets and producers. A further impediment is the insecurity of markets as a result of sudden changes in markets due to instability or the distribution of relief items, the unpredictability of funding for potential purchasers, and shifting tax and customs regulations. In addition, a lack of marketing experience leads to inadequate market research and strategizing on the part of project holders.

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<sup>20</sup>Ibid. Many of the lessons learned cited are from this document.

*Information related to markets, production, and past experiences is needed for a grant program to achieve the best results*

In the case of southern Sudan, where useful historical and baseline information on markets and production is largely unavailable, it is a challenge to identify the best grant proposals and to give appropriate advice to grantees. In addition, the absence of baseline information makes objective monitoring of impact exceedingly difficult.

#### **Lessons Derived from the MFA Experience**

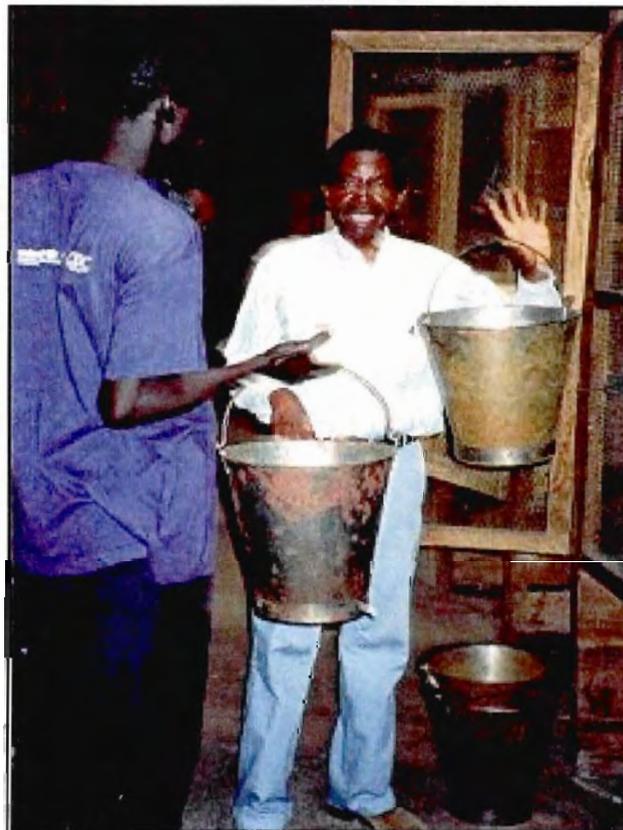
- There is a need to build a local capacity to certify seed. If this were done, it would not only save time and money, but would also contribute to self-sufficiency and sustainability. Currently,

seed must be sent out of Sudan to Kenya or Uganda to be certified.

- Thorough analysis is needed to determine the fair price of grain and seed produced by indigenous farmers associations. When determining prices, sustainability of the indigenous organization should be factored in. If prices are necessarily higher to ensure high quality and sustainability of an association, then donors and relief agencies should be willing to pay the higher price.
- The MFA is a model that should be replicated elsewhere in the region. Communities and NGOs working to establish self-sufficient farmers' cooperatives and associations could benefit from learning about how the MFA operates.



**Hoes produced at CATPE**



**Arthur Said of CATPE displaying some of the buckets produced in the Nzara workshop.**



# Phase Five: STAR and the Transition to Development Assistance (Beginning in 1998)

In June 1997, a White House Deputies Meeting decided to expand U.S. assistance in the opposition held areas of southern Sudan. It was decided that, in addition to humanitarian assistance already being provided, development assistance, in the amount of seven million dollars over three years, would be provided under the Sudan Transition and Rehabilitation (STAR) program. This policy change, and the STAR program itself, arose in response to a number of factors including: the economic transition occurring in secure areas; establishment of a civil administration under the SPLM; the perceived need to strengthen local capacities and structures in the region; and interest in strengthening human rights and democracy in opposition held areas. STAR's primary purpose is to increase participatory democracy and good governance practices in opposition-held areas of Sudan while reducing heavy reliance on relief. It is a forward-looking program that aims to assist in laying a strong foundation for the eventual post-conflict transition.

The program, which began in 1998, is currently designed to have three components: strengthening of Sudanese grassroots organizations working to solve local rehabilitation problems; provision of governance training to the nascent civil administration in transparency, accountability, public finance, and respect for human rights; and provision of forums to further the development of policies by the leadership of the NDA. The CRS GM/CB program is designed to address the first component and UNICEF has been awarded the funding to undertake the civil administration component. As of August 1999, an implementing partner had not been selected for the third component of STAR. The SPLM has been involved at all stages of program design and implementation for the first two components, and cooperation and collaboration between USAID, the implementing partners, and the NDA (including the SPLM) has been given high priority in the implementation of the third component.

The STAR program is charting waters that have never been charted before and, consequently, has to overcome numerous challenges. Once this program has

been fully implemented, and its impact assessed, it will be critical to share the lessons learned with others in USAID and within the broader relief and development community. STAR could become a model for high impact development programs in areas undergoing transition – it represents both a turning and a starting point for the use of development assistance in the context of complex emergencies and ongoing conflicts.

## Lessons Learned and Common Constraints

This paper is meant, in part, to distill lessons learned from the West Bank experience. Many of the activities reviewed in this paper do not fit entirely in either the “development” or “relief” category, instead they bridge the gap between relief and development by aiming to rehabilitate an economy emerging from an emergency within the context of an ongoing conflict. For these reasons, the West Bank experience holds valuable insight into both the feasibility and the potential impact of similar activities being considered or implemented in other parts of the world. While the contexts within which activities are implemented will likely differ considerably, there are some common constraints and lessons that warrant consideration.

### Common Constraints

A review of some of the constraints faced by all implementing partners reveals obstacles commonly confronted when implementing innovative rehabilitation oriented activities within a humanitarian context and situation of ongoing conflict.

#### *Constraints in the local economy*

Activities undertaken in the West Bank have had to confront constraints within the local economy. The extent of economic underdevelopment in the region is such that agencies have to be prepared to tackle a myriad of structural constraints and deficits when implementing activities aimed at economic recovery. Local grain purchase programs, in particular, are forced to address the lack of market opportunities to absorb surpluses

produced, the lack of banks or financial institutions to convert currency and deposit cash, and the lack of a convertible currency within the region. Inconsistent and unfair taxation policies are an obstacle for all activities aiming to boost the economy. Rehabilitation activities undertaken in an area emerging from underdevelopment and conflict should anticipate these constraints and find ways to work around them, or to address them.

#### *Human resources*

Since the conflict recommenced in 1983, southern Sudanese have either had an inadequate education or none at all. The lack of an adequate education system has serious implications for future economic development in the region. The workforce of tomorrow will be inadequately prepared to provide technical skills needed for economic advancement. These conditions require that donors and relief agencies devote more energy and resources toward the recruitment of Sudanese and toward the reestablishment of a primary and secondary educational system in the West Bank.

#### *Staff turnover*

There is high turnover among relief workers operating in southern Sudan and this poses a challenge in terms of maintaining an institutional memory and incorporating lessons learned. This problem is in some ways related to the issue of hiring Sudanese. It would stand to reason that Sudanese staff would be more willing to stay in their positions for longer periods of time because of the familiarity with the places, greater investment in the future of the region, and ties to family and others within the community.

#### *Insecurity*

In the past six years, there has been relative stability in the West Bank, but this does not mean that the threat of insecurity and the possibility of GOS bombing has disappeared. Some areas, such as Yei, are bombed on a fairly regular basis and, although some other areas have not been bombed in two or more years, the fear of insecurity lingers. Insecurity, and the threat of it, adversely affects rehabilitation efforts by impairing the population's ability to focus on the future and live productive lives. Insecurity can also have a more direct and destructive effect, such as in the case of a bicycle repair shop, funded by CRS Umbrella Grant, that was severely damaged when a bomb fell directly on it. These effects of insecurity need to be factored into the design and implementation of rehabilitation activities.

#### *Inflexible funding*

Funding on a yearly basis through OFDA or FFP is not the most effective funding arrangement for rehabilitation-oriented activities as they are more long-term in nature and can not show results as quickly. Short-term funding can have the effect of discouraging long-term planning, analysis, staff retention, and assessments of the operating environment. On the other hand, DA funds have their own shortcomings as they lack flexibility and are generally not disbursed as quickly as relief funds. There is a need for a more flexible funding mechanism that is both conducive to longer-term activities and able to respond quickly to opportunities as they arise

#### *Local authorities*

The lack of skills and experience on the part of administrators, a lack of understanding of their roles, lack of revenues and supplies and a limited capacity to lead were all cited as reasons why it is often a challenge to work with the nascent civil administration in southern Sudan. On the other hand, the fact that there is a structure in place presents a whole host of opportunities to facilitate the development of the system, and to ensure that accountability and transparency become characteristics of the government structure that will assume a formalized role once there is peace.

#### *Lack of interest on the part of OLS and other donors*

The limited OLS interest and presence in the West Bank has both costs and benefits. One cost is that the OLS has not played a coordinating role among the groups working on rehabilitation-oriented activities in the region. The lack of coordination among the NGOs has been a problem, although in some cases it has been better than others. Alternatively, the lack of OLS interest has meant that there has been little interference or association of activities with the stigmatized bureaucracy and policies of the OLS

#### *Lack of experience and lessons learned*

Implementation of economic recovery activities within the context of a humanitarian emergency in an opposition held area during a conflict is a relatively new experience for USAID and other donors. Because of the lack of experience and lessons learned, some mistakes that might have otherwise been avoided were made. For example, development of a system for collecting and analyzing market, production, and trade information might have been developed sooner if the implementing agencies had the experience to know to

anticipate the need for it.

#### *Absence of a functioning legal system*

The absence of a functioning legal system in southern Sudan is a substantial obstacle for activities that involve commercial transactions. For example, if money is stolen from an NGO or if a farmer complains that he was not paid what he was owed by an NGO with an LGP program, there is no independent legal authority to adjudicate the matter. The only option is customary law, but NGOs are unlikely to accept the binding authority of customary law.<sup>21</sup> Until a functioning legal system evolves, alternative and less than ideal ways to resolve legal matters need to be devised.

#### **Lessons Learned**

The overall lesson learned from the West Bank experience is that *it is possible* to have a significant and positive impact through rehabilitation-oriented activities in the context of a conflict zone or complex emergency. There are often regions of stability and security in war zones and, when these areas are neglected by donors and relief agencies, it is a missed opportunity to advance economic and political transition. Beyond this general lesson, however, lessons have been learned about what is needed in order for rehabilitation activities to be effective in an operating environment such as the West Bank.

#### *Individuals are important*

The combination of individuals who designed the USAID Sudan Strategy in 1993 was key to the incorporation of principles that supported the implementation of rehabilitation-oriented activities. The wealth of knowledge among the participants, including knowledge of the region and knowledge of the agricultural potential of the West Bank, served to focus the strategy in areas that had been neglected in the past. The importance of retaining key USAID personnel with knowledge and understanding of the context and the history of the program should not be minimized. Individuals with vision, strong contacts in the field, and the ability to see a program through are invaluable.

#### *Field based USAID staff are crucial*

Engagement of knowledgeable USAID staff in the field has benefited the overall program in the West Bank by

helping to shape and steer USAID supported activities. Due to the lack of relevant experience of operating rehabilitation and mitigation oriented activities in areas of ongoing conflict, the guidance they have provided to partners has been critical. Field visits should be encouraged as they are essential for project monitoring and for increasing USAID staff understanding of both the operating environment and the impact of the activities.

#### *Innovation can be promoted by donors, and is worth the risk*

When confronting a large scale, long-term humanitarian crisis, such as that in Sudan, it is necessary to continually try new approaches and innovative pilot activities. While there is some risk involved in innovation, the alternative is to miss opportunities to foster rehabilitation and self-sufficiency and to further dependency on relief aid. If donors express a willingness to support innovation, it is highly likely that the relief agencies (especially those with some experience in unconventional relief work) will rise to the challenge.

#### *Creation and implementation of program strategies is important*

The strategy process fosters innovation and provides a clear framework within which activities are implemented. The process itself also helps those involved to learn from each other and to apply lessons learned from past experience. At the implementation level, a strategy facilitates the provision of greater guidance and direction by USAID to its implementing partners, especially with regard to project design.

## **Recommendations**

The following recommendations are meant as general guidelines for donors, relief agencies, and others who are working on rehabilitation activities that enhance the transition from relief to development. While some of the recommendations are Sudan specific, others could be applied to any rehabilitation-oriented program operating in the context of a complex emergency or transition.

### **Reinforce the importance of project sustainability**

There is a balancing act that must be done between the inherent urge of relief agencies to save lives and their desire to ensure that the benefits of their efforts will contribute to greater sustainable development. Donor and relief agencies need to incorporate the notion of

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<sup>21</sup> This issue is currently being debated among all interested parties and it is expected that activities related to the administration of justice will take place in the near future.

sustainability into all activities and ensure that their own institutional structure, procedures, policies and reporting requirements do not undermine progress toward rehabilitation and sustainable development.

### **Share the experience and lessons learned**

The West Bank experience is novel in many ways and, because of this, has much to offer in the way of valuable lessons learned. More needs to be done to foster the sharing of information within USAID (including OFDA), the larger donor community, and among relief agencies. Relief agencies are not accustomed to having to report thoroughly and regularly on their activities. In order for them to write better and more regular reports, OFDA should consider establishing more rigorous reporting guidelines for its implementing partners undertaking rehabilitation activities.

### **Empower field-based staff to implement innovative programs**

The West Bank experience has shown that innovations do not just happen – rather, they require that experienced people with intellectual freedom are encouraged and empowered to make decisions and implement programs in the field. More can be done to promote an environment where ideas are discussed freely, innovation is encouraged, strong and experienced field-based staff are trusted to formulate strategies and implement programs, and some risk and failure is tolerated (and expected). In this sort of environment you are more likely to have a program that breaks out of the mold and succeeds at doing relief differently, and more effectively.

### **Create a system for regular impact assessment**

There is a need for greater attention to be given to assessing the impact of rehabilitation activities – both positive and negative, direct and indirect. While this is done fairly well by some, it needs to be done more consistently and thoroughly. Relief agencies need to be especially sensitive not to create unintended negative effects while pursuing their objectives. For example, if relief agencies monopolize all the transport available or monopolize the buyers market for grain and seed, they need to consider whether or not the benefits of these actions outweigh the costs. USAID needs to make it clear that impact assessment and awareness are expected.

### **Better economic impact analysis**

Relief economies make it difficult for business people to compete. There is a need for more analysis and understanding of the impact that relief-dominated economies have on the rehabilitation of local businesses. The case of the Nzara tool workshop competing with relief agencies that are giving away tools for free is a good example of this. There must be safeguards put in place, and better analysis, to ensure that we are not working at cross-purposes.

### **Help to advance clear and consistent taxation policies**

In the advanced stages of a transition from relief to development, unclear and inconsistent taxation policies are obstacles. In the case of southern Sudan, this is currently a priority that is beginning to be addressed by all relevant actors. The economy has progressed to the point where further economic expansion is hindered by unfairly high and inconsistently applied levies. USAID and other donors should continue to support all initiatives that seek to bring together key players to resolve these issues.

### **Promote improved coordination among relief agencies**

Because of the relative absence of an OLS coordinating capacity in the West Bank and because of the similar and complementary nature of activities being implemented by USAID's partners working in the area, it would behoove both USAID and the relief agencies to ensure that information and lessons learned are being shared. For example, it benefits agencies with LGP programs in neighboring areas to coordinate with each other and with the local authorities and farmers to assess markets and the economic impact of local grain purchase, to set prices, and to establish a system for compiling reliable production estimates. Perhaps improved coordination could be fostered through a series of workshops, or through regular USAID sponsored meetings of field based staff.

### **Encourage other donors to support activities in the region**

USAID has broken new ground by supporting activities aimed at economic recovery in southern Sudan. However, USAID should not continue to be the sole supporter of these important activities. The funding

base for these activities should be diversified and USAID should further this by demonstrating to other donors the positive impact that these activities have had. While many other donors have more rigid funding restrictions, it might behoove them to look at the USAID example for ways that it could justify supporting such activities.

### **Support development of the educational system**

Support is currently lacking for activities targeting human resource development through education in the West Bank. There is no doubt that the need in southern Sudan for education is great and key to development of the region. Support for education activities in the West Bank should be considered by USAID and, if it is determined that USAID does not have a comparative advantage in this area, another donor should be sought to support work in this important sector.

### **More economists and people with economics experience implementing activities**

The West Bank experience has demonstrated the importance of implementing agencies' knowing and understanding of the economic implications of their rehabilitation activities. In order to insure that adequate understanding and knowledge is not lacking, it would be advantageous for relief agencies to put greater emphasis on the recruitment and retention of staff with practical economics experience and training.

### **Establish flexible funding mechanisms for pilot activities**

The West Bank experience has shown the importance of seizing opportunities as they arise and undertaking innovative pilot activities. In order to do this in the most effective way, a flexible funding mechanism is required. Funds must be disbursed in a timely fashion so that opportunities are not missed. Funding (with notwithstanding authority) through the USAID Office of Transition Initiatives (OTI) should be considered as a possible funding mechanism.

## **Conclusion**

In the post-Cold War era of increasing numbers of protracted complex humanitarian emergencies, the relief community is constantly being challenged, and challenging itself, to come up with new approaches to not only save lives, but to minimize dependency and increase the self-sufficiency of the targeted popula-

tions. Yet, when innovative and rehabilitation-oriented activities are supported, critics cite concerns about the distinction between "relief" and "development," the extended length of many of these activities, and the lack of a system for assessing and reporting on impact. The West Bank experience reveals that, while these concerns are legitimate and need to be addressed, they are also insignificant in comparison to the benefits generated by these activities

USAID has advanced economic and political rehabilitation through targeted interventions in the West Bank. Markets, which did not exist in much of the region less than five years ago, are now flourishing and filled with an abundance of produce and imported manufactured goods. Trade within southern Sudan, and between southern Sudan and Uganda, the DRC, and the CAR, has been steadily increasing. Five years ago there was barely enough food produced to meet local needs. Now, farmers are producing a surplus to meet the needs of populations in the more vulnerable parts of southern Sudan such as Bahr el Ghazal. Payments by relief agencies which purchase grain and seed from local farmers are being fed back into the revitalized economy. Entrepreneurs and young civil society groups have begun socially and economically profitable enterprises with small amounts of assistance from USAID-supported grant and loan programs. And the nascent civil administration has begun the arduous and ongoing process of articulating its vision for development, providing services to the population, and learning to govern with transparency and accountability.

The rehabilitation activities that USAID has supported in the West Bank since 1993 have ranged from road repair to small grants to community groups, and each activity has generated valuable lessons to share. In addition, through the evolution of the five phases of the West Bank strategy, the USAID Sudan team has learned a great deal. While many of the activity-level lessons are particular to a certain type of activity, others are relevant to all rehabilitation-oriented activities. It is clear that, when opportunities arise in the ever-evolving transition context, they must be seized as quickly as possible (once it is determined that an intervention is warranted) so that an activity can have the greatest impact. For this reason, flexible funding mechanisms that can react quickly are crucial. It is also clear that knowledgeable individuals in the field are the best placed to identify these opportunities and should, therefore, be empowered to make decisions

and implement innovative programs on the ground. The West Bank experience has shown that, in order for an activity to be as effective as possible, the implementing partner must regularly monitor and assess impact (with special attention to economic impact) and coordinate activities with both local authorities and others undertaking activities in the area. Finally, the sharing of lessons learned from these innovative activities must be improved so that the effectiveness of future activities is even greater.

The overarching lesson learned is that complex emergencies and conflicts can not be thought of in absolute terms and, where there are pockets of stability, the

opportunities to support innovative rehabilitation-oriented programs must be seized. Relatively small amounts of assistance can, if programmed properly, go a long way toward restoring people's coping mechanisms and providing them with the ability to reengage in economic activities. These interventions can also serve to jump start the market economy, promote the development of civil society, and further the creation of a transparent, accountable, and functioning civil administration. Ultimately, these types of transition programs lead to sustainable development and community self-sufficiency while also preventing or mitigating the effects of current and future complex emergencies and reducing the overall costs of relief interventions in the area.

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# Appendix

**Table 1: USAID Funding Levels  
USAID Assistance to Sudan FY1993 to 1999**

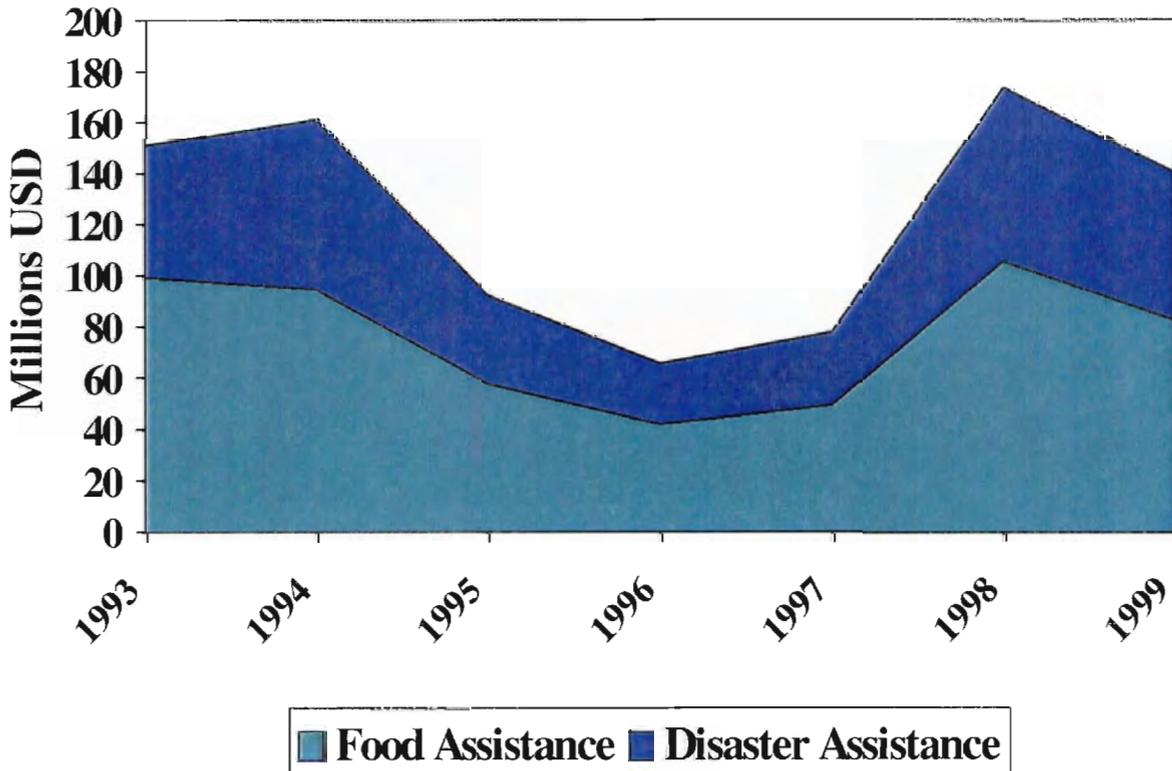
| Fiscal Year  | Food Assistance      | Disaster Assistance  | Development Assistance | Total by Year        |
|--------------|----------------------|----------------------|------------------------|----------------------|
| 1993         | \$ 57,987,300        | \$ 47,316,975        |                        | \$ 99,304,275        |
| 1994         | \$ 66,330,500        | \$ 28,475,137        |                        | \$ 94,805,637        |
| 1995         | \$ 34,183,400        | \$ 23,905,497        |                        | \$ 58,088,897        |
| 1996         | \$ 23,521,400        | \$ 18,408,252        |                        | \$ 41,929,652        |
| 1997         | \$ 27,665,100        | \$ 22,276,953        |                        | \$ 49,942,053        |
| 1998         | \$ 67,848,500        | \$ 37,874,874        | \$3,000,000            | \$108,723,374        |
| 1999         | \$ 57,973,600*       | \$ 25,000,000**      |                        | \$ 82,973,600        |
| <b>TOTAL</b> | <b>\$335,509,800</b> | <b>\$203,257,688</b> | <b>\$3,000,000</b>     | <b>\$541,767,488</b> |

\*As of 6/2/99

\*\* Projected for entire fiscal year

Sources: USAID/OFDA Commodity/Service Database U.S. Overseas Loans and Grants and Assistance from International Organizations: Obligations and Loan Authorizations July 1, 1945 – September 30, 1997

**USAID Humanitarian Assistance to Sudan 1993 to 1999**



**Table 2: USAID Funding to West Bank Activities  
Assistance to Rehabilitation Activities in the West Bank\***

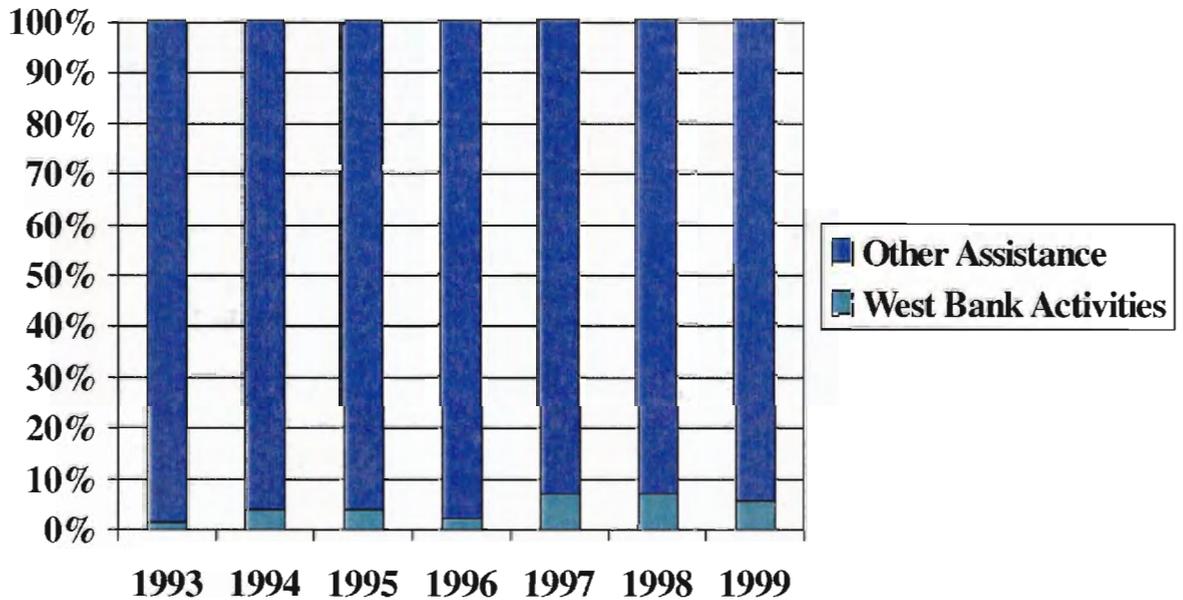
| Fiscal Year  | Funding to West Bank Rehabilitation | Percentage of Total USAID Assistance |
|--------------|-------------------------------------|--------------------------------------|
| 1993         | \$ 1,382,440                        | 1.3%                                 |
| 1994         | \$ 3,719,161                        | 3.9%                                 |
| 1995         | \$ 2,156,361                        | 3.7%                                 |
| 1996         | \$ 960,260                          | 2.2%                                 |
| 1997         | \$ 3,562,931                        | 7.1%                                 |
| 1998         | \$ 7,803,279**                      | 7.1%                                 |
| 1999         | \$ 4,510,429**                      | 5.5%                                 |
| <b>TOTAL</b> | <b>\$24,094,861**</b>               | <b>4.4%</b>                          |

\* Excludes health activities and FFP funding for NPA

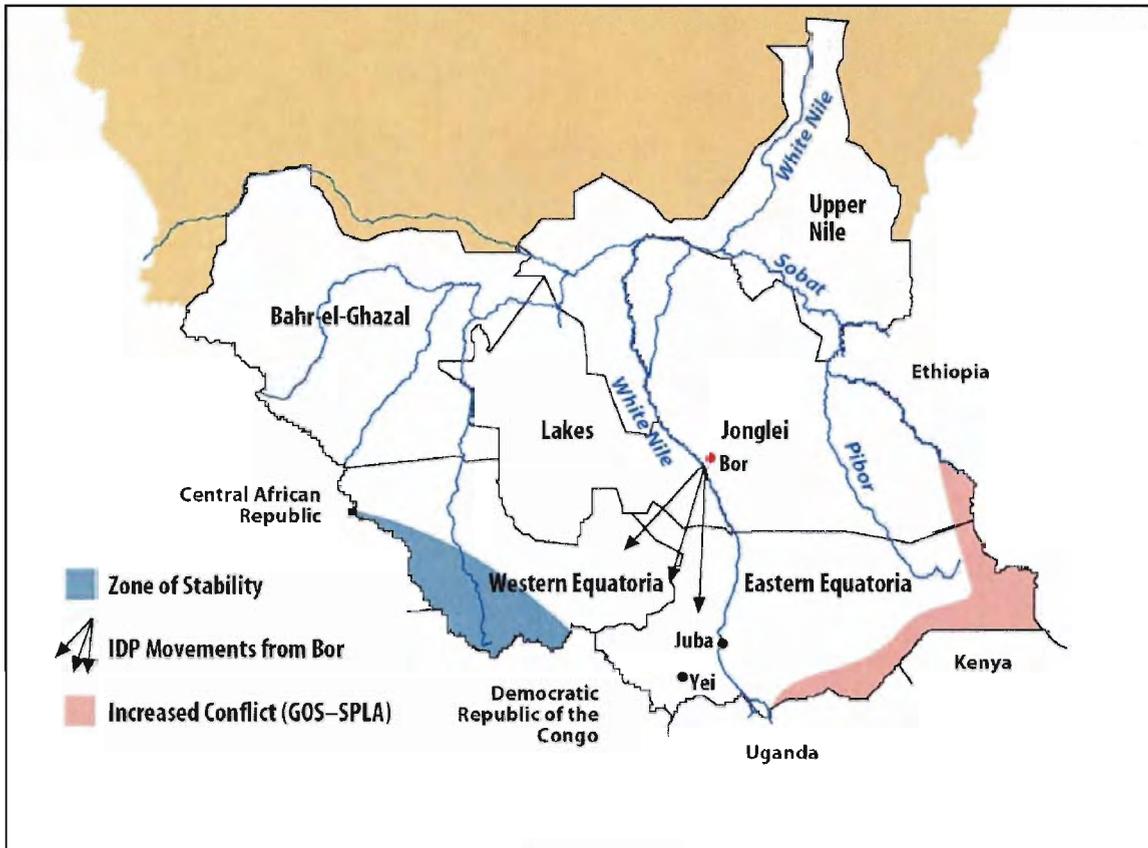
\*\* Includes FFP funding for WVI

Source: USAID/OFDA Commodity/Service Database

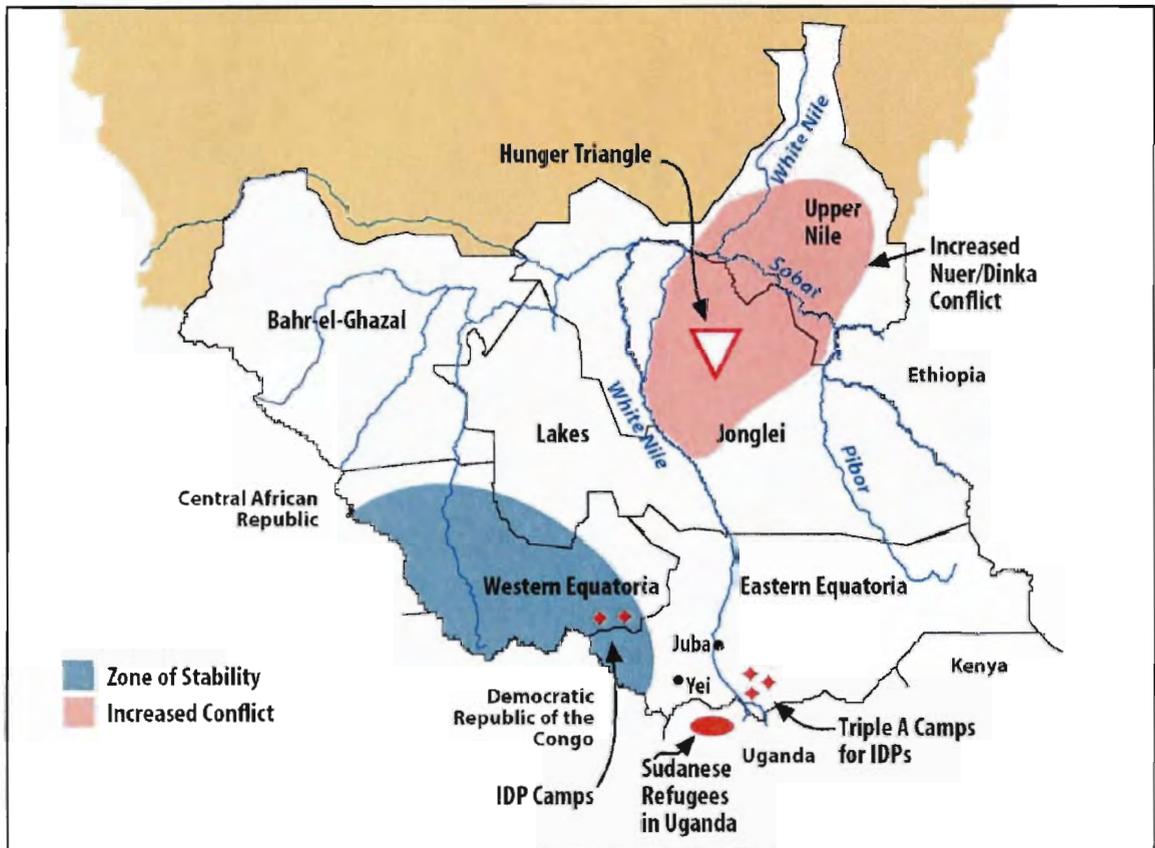
**Percentage of Total USAID Southern Sudan Assistance to West Bank Rehabilitation Activities**



**Map 1: Southern Sudan in 1992**



**Map 2: Southern Sudan in 1994**



Map 3: Southern Sudan in 1998

