
SOUTHERN SUDAN



Agricultural Enterprise Finance Program (AEFP)

MICROENTERPRISE MARKET SURVEY

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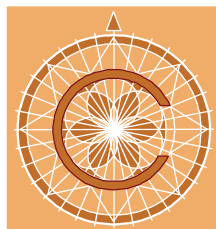
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Section One: Market Assessment Data Analysis

Overview

Chemonics International is implementing a 5-year USAID funded program that will establish a self-sustaining micro-finance institution (MFI) in Southern Sudan. The Southern Sudan Agriculture Enterprise Finance Program (AEFP) was developed with the objective of establishing a viable, self-sustaining financial service organization to provide access to working capital for micro-entrepreneurs.

Micro credit is perceived as one avenue of fostering expanded economic opportunity among the southern Sudanese and constitutes an added incentive for Internally Displaced People (IDPs) and refugees to return to their homes.

The AEF program intends to develop a microfinance institution, develop and pilot a credit delivery methodology, and develop and test various loan and savings products based on both client demand and repayment experience.

In preparation for the set up of the microfinance institution, Chemonics International has undertaken a rapid needs assessment and microenterprise market survey in the major towns of Western and Eastern Equatoria, two towns in Bahr el Ghazal, and four communities in Upper Nile, all in South Sudan, to assess a range of potential market areas and conduct a survey of existing enterprises. The information gathered during the survey will be used to better understand:

- Areas of high micro enterprise concentration
- The financial needs of the potential clients
- Existing marketing systems, including profile of traders, types of markets, profile of the informal sector vendors;
- Existing credit providers; formal and traditional informal sector financial practices;
- Non-financial business development needs of agri-businesses;
- The financial needs and capabilities of women, returnees, displaced persons, and refugees in southern Sudan; and
- The overall economic situation in South Sudan, including key economic variables, such as international and indigenous NGOs, South Sudan civil government structures, traditional legal structures, current security issues, infrastructure, and key trade and market linkages, both domestic and international.

The results of the survey presented in Section One, below, will assist in determining the MFI's first office locations, to develop the loan products, and to inform other operational issues and decisions, such as borrower group formation and management, formation of a board of directors, linkages to the legal and judicial system, and managing the many risks facing an MFI in Sudan as best as possible.

The international best practices of microfinance require that a new microfinance institution start with a study of the microenterprise market to enable the institution match its credit and savings services with the demands of the market. An assessment of the client needs is therefore a critical first step in the implementation of the microfinance program. It is for this reason that Chemonics conducted a credit needs assessment survey in five towns offering the best potential for sustainable microfinance in South Sudan. This section of the report outlines the needs of the micro and small enterprise community in the regions covered.

Three hundred and sixty (360) micro enterprise business proprietors were interviewed between 27th January 2003 and 14th March 2003 in various towns in South Sudan. The data was keyed into the computer using SPSS builder (version 2.0) and analyzed in SPSS editor (version 10.0). The data was analyzed using frequencies, basic tables, tables of frequencies and cross tabulation. The data is presented by county and then it is consolidated.

The report is subdivided into the following sub-topics:

- Demographic characteristics,
- Business details,
- Income source analysis,
- Groupings,
- Summary/Conclusion, and
- The Appendix

A. Demographic Characteristics

The Southern Sudan Agricultural Enterprise Finance Program (AEFP) microenterprise market survey questionnaires were administered in six locations that were deemed to have adequate scale to support a microfinance institution: Rumbek, 118 questionnaires; Yambio, 87; Maridi, 63; Thiet/ Tonj, 30; and Yei, 62 questionnaires. The team attempted to get questionnaires from at least five percent of the total number of businesses counted in each location. A total of 360 respondents were interviewed. Rumbek and Yambio had the highest representation of 33 percent and 24 percent respectively.

Generally, the sample is male dominated (62 percent) with the exception of Thiet where 63 percent of the sample is women in business. Yei had the least female participation (18 percent). The gender representation of 38 percent is quite close to the number that the survey team arrived at after a physical count of all the businesses in the regions surveyed (59 percent male and 41 percent female).

Observations at the open air markets in the town centres make one think that there are more women in business than men. This can be attributed to the fact that women are more visible because they trade in makeshift kiosks that line most roads and in the open, on the roadsides.

Table 1.1
Distribution of gender across county

County	Female	Male	Total percent
Rumbek	37.3	62.7	100.0
Yambio	35.6	64.4	100.0
Maridi	49.2	50.8	100.0
Thiet	63.3	36.7	100.0
Yei	17.7	82.3	100.0
Total	37.8	62.2	100.0

Table 1.2 on the next page indicates that 83 percent of the respondents are married. A negligible percentage of the respondents, 4.5 percent, are either widowed/divorced or separated while 12.9 percent are not married. Yambio has the highest number of single/widowed/divorced respondents 32.6 percent, which is partly attributed to the fact that the community around Yambio doesn't recognize marriage until dowry has been paid. Most of the women interviewed are living with their partners and even have children together, but they do not consider themselves married because no dowry has been paid to their parents.

Table: 1.2
Marital status in percent by county

County	Single/never married	Married	Widowed/divorce/separated	Total percent
Rumbek	12.1	87.1	0.9	100.0
Yambio	22.1	67.4	10.5	100.0
Maridi	7.9	87.3	4.8	100.0
Thiet	10	90.0		100.0
Yei	8.1	87.1	4.8	100.0
Overall	12.9	82.6	4.5	100.0

Most of the respondents are generally ‘young’ with a mean age of 34 years. The maximum age is 63years found in Rumbek while the oldest respondent in Thiet was 43 years. However women have a slightly lower mean age of 33 years, while men have 35 years.

The indication is that the respondents are in their productive ages when investment is a driving force. They are more likely to invest in their businesses for increased future profitability and because micro-business right now is one of the biggest forms of employment in Southern Sudan, other than working for an NGO.

On the flipside, the respondents are at a reproductive age where they are still having children. As shown on Table 1.3 and 1.4 below, 74.7 percent of the respondents have children/dependants that fall under age seven. This means that they have many financial obligations that may weigh heavily on the business with a likelihood of working capital being diverted to these household obligations like school fees (in Uganda where they send their children to school), health, and food/clothing. This means that the Sudanese MFI may have to consider developing loan products that cater for social needs to protect the businesses from overdrawing.

Table 1.3
Age of respondents

County	Maximum	Mean	Median	Minimum	Mode
Rumbek	63.0	34.8	33.0	18.0	35.0
Yambio	59.0	33.3	33.0	17.0	35.0
Maridi	52.0	33.8	34.0	17.0	35.0
Thiet	63.0	32.7	31.0	16.0	25.0
Yei	58.0	35.6	35.0	20.0	35.0
Overall	63.0	34.2	33.0	16.0	35.0

Generally the size of the family which includes children and dependants is relatively small and averages five members. Dependants below the age of seven years average two persons. However, Yambio and Maridi have a higher mean for dependants and children.

Table: 1.4
Number of dependants by county

County	Number of dependants/children	Maximum	Mean	Median	Minimum	Mode
Rumbek	Total number of children	20	4	3	0	0
	Dependant above age 7	15	2	1	0	0
	Number of dependants below 7	10	2	2	0	0
Yambio	Total number of children	23	6	5	0	0
	Dependant above age 7	9	3	2	0	0
	Number of dependants below 7	12	3	2	0	2
Maridi	Total number of children	21	6	5	0	4
	Dependant above age 7	13	3	2	0	0
	Number of dependants below 7	8	2	2	0	1
Thiet	Total number of children	8	4	3	0	2
	Dependant above age 7	7	2	2	0	0
	Number of dependants below 7	4	2	2	0	2
Yei	Total number of children	18	4	4	0	1
	Dependant above age 7	11	2	1	0	0
	Number of dependants below 7	7	2	2	0	0
Overall	Total number of children	23	5	4	0	0
	Dependant above age 7	15	2	2	0	0
	Number of dependants below 7	12	2	2	0	0

Table 1.5
Dependants by Age

County	dependants below 7		dependants above 7	
	No	Yes	No	yes
Rumbek	36	64	50	50
Yambio	18	82	24	76
Maridi	16	84	23	77
Thiet	20	80	31	69
Yei	27	73	45	55
Overall	25.3	74.7	36.5	63.5

B. Education Status

Education is an important tool for general development in a community. Over 60 percent of the respondents are not schooled beyond upper primary. Overall 20.6 percent have no education. County data shows that Thiet has the highest percentage (33 percent) of respondents with no formal education, followed by Rumbek which had 30.5 percent of respondents with no formal education. When those with no education are aggregated with

the lower primary, Thiet respondents emerge with the least education (70 percent) followed by Maridi (55.6 percent). Overall, only 13.3 percent of the respondents have schooled beyond lower secondary. Yambio has the highest percentage (19.5 percent) of respondents educated above lower secondary.

Table 1.6
Level of Education by county

County	None	Lower primary	Upper primary	Lower secondary	Upper secondary	Higher secondary	than percent Total
Rumbek	30.5	17.8	17.8	22.9	8.5	2.5	100.0
Yambio	11.5	21.8	23.0	24.1	17.2	2.3	100.0
Maridi	17.5	38.1	17.5	17.5	7.9	1.6	100.0
Thiet	33.3	36.7	23.3	3.3	3.3	0.0	100.0
Yei	11.3	16.1	22.6	32.3	17.7	0.0	100.0
Overall	20.6	23.6	20.3	22.2	11.7	1.7	100.0

Cross tabulating gender and education shows a higher percent of women with no education as compared to male counter part within the same education category. It is also noted that woman are less educated across education categories. It is unlikely that there is a correlation between the level of education and business performance especially for traders who don't do much record keeping. The lack of skills training (81 percent of respondents have no technical/professional training) however, may be the reason why activity in the manufacturing/production sector is low.

Table: 1.7
Education level and gender in percent

	Female	Male	Total percent
None	58.1	41.9	100
Lower primary	44.7	55.3	100
Upper primary	38.4	61.6	100
Lower secondary	18.8	81.3	100
Upper secondary	21.4	78.6	100
Higher than secondary	50.0	50.0	100

On other education, 5.9 percent of the women got adult education as compared to 0.9 percent of the male. On the other hand, there is a higher percent of men (13.4 percent) professionally trained as compared to 9.6 percent women.

**Table 1.8
Other Education/ Professional Training**

Education	Female	Male
None	81.6	81.3
Adult education	5.9	0.9
Professional training	9.6	13.4
On job training	0.7	4.0
Farming	0.7	0.4
Seminar	0.7	
Pastoral studies	0.7	

C. Analysis of the Enterprises

Trading activities accounted for the highest percentage of sampled enterprises with an overall rating of 53 percent. The service sector was second with 30 percent, and manufacturing was at 17 percent.

The predominant **trading** activities include general retail; trade in farm produce, retail of ready made clothes and shoes (new and used). Other trade activities include drug stores dealing in human medicine; and trade in livestock.

Service is another significant sector accounting for about 30 percent of the enterprises sampled. The predominant activities in the service sector include restaurants, tea kiosks, bars (selling local brew and bottled alcohol), lodgings, and barber shops/hair salons among others. On the other hand men dominate established retail and wholesale shops, livestock trade, butcheries, and bars.

Manufacturing, which consists mostly of brick making, tailoring, and carpentry, is dominated by men.

A gender-desegregated analysis of enterprise types indicates that women are more concentrated in the service sector (50 percent) compared to men who are 68 percent in commerce, mostly because service doesn't require a lot of start-up capital and can be done in temporary structures or in the open air. Women are involved in restaurants, tea shops, the sale and brewing of local brew, and pastries made and sold by the roadside.

The nature of the businesses has a direct influence on the loan products offered by a microfinance institution. The fact that the bulk of the enterprises sampled (53 percent) is trade means that they may require short-term financing (working capital) payable in short intervals since they experience short trading cycles. This type of loan is the most common in microfinance institutions around the world, as it is so closely linked to a steady cashflow, which enhanced the borrower's ability to repay.

The concentration of women in the service sector may be an indication that women are faced with certain constraints which appear to affect men to a lesser extent. The microfinance program may have to be formulated in a certain way that is more focused towards women in order to level the ground for women to participate in a wide range of income-generating activities.

Table: 1.9
Business Type in percent by county

County	Manufacturing	Commerce	Service	Total percent
Rumbek	6	72	22	100
Yambio	20	45	36	100
Maridi	22	43	35	100
Thiet	20	43	37	100
Yei	26	45	29	100
Overall	17	53	30	100

Table: 1.10
Business type (percent) by gender and county

Female/county	Manufacturing	Commerce	Service	Total percent
Rumbek	16	41	43	100
Yambio	26	23	52	100
Maridi	16	29	55	100
Thiet	32	16	53	100
Yei	18	27	55	100
Overall female	21	29	50	100
Male/county				
Rumbek	0	91	9	100
Yambio	16	57	27	100
Maridi	28	56	16	100
Thiet		91	9	100
Yei	27	49	24	100
Overall male	14	68	18	100

Overall most of the enterprises have been in operation for as long as each region has been under SPLA/SPLM governance. This may not be a very good measure for the entrepreneur's years in business because some of them operated other businesses before the war and sometimes in other regions.

Table: 1.11
Age of Businesses

County	Manufacturing	Commerce	Service
Rumbek	9	8	5
Yambio	12	8	5
Maridi	8	5	4
Thiet	16	9	13
Yei	3	4	5
Overall	9	7	5

Overall 56.4 percent of the businesses are located in the commercial zone of the town. The trend is sustained in all the counties, except Maridi and Yei, where less than 50 percent of the businesses are located in the commercial zone. A sizable number of the businesses in Maridi are located in the market which was relocated out of the commercial zone due to bombings. Yei, on the other hand, has several enterprises scattered all over the town/residential areas and a big number located at the market. However 100 percent of the respondents in Thiet are in the commercial zone of the town.

To the extent that the location of a business is an important determinant to its performance, most the businesses sampled are not likely to find their location a major constraint to their performance because of their proximity to the commercial zone and any infrastructure it may have to offer.

Table: 1.12
Business Location

County	Home	Road side Market	Commercial zone	Private land	Total percent
Rumbek	0.8	5.1	30.5	63.6	100
Yambio	2.3	12.6	26.4	58.6	100
Maridi	1.6	14.3	34.9	47.6	100
Thiet	6.7		26.7	66.7	100
Yei	9.7	8.1	37.1	43.5	100
Overall	3.3	8.6	31.1	56.4	100

Forty-three (43) percent of the businesses sampled operate in temporary/makeshift structures, while 35 percent operate from permanent structures. More than 50 percent of the businesses in Rumbek and Thiet operate in temporary structures. Whereas the temporary nature of the business structures is a manifestation of the insecurity that most people may harbor, it is likely that along the way they may need capital for constructing relatively dependable structures or to relocate/rent better structures.

Table: 1.13
Structure of business premises by county

County	Open air	Temporary shelter	Permanent structure	Total percent
Rumbek	14	60	26	100
Yambio	33	29	38	100
Maridi	22	40	38	100
Thiet	10	57	33	100
Yei	29	24	47	100
Overall	22	43	35	100

When the data are desegregated by gender, there are a higher number of men operating businesses from a permanent business structure as compared to women across all the counties. Overall, most women conduct business from temporary structures because they cost less and in some instances the women construct the structures themselves.

Table: 1.14
Structure of business premises by gender

Female/county	Open air	Temporary shelter	Permanent structure
Rumbek	16	61	23
Yambio	33	37	30
Maridi	19	48	32
Thiet	5	74	21
Yei	18	36	45
Overall	19	53	28
Male/county			
Rumbek	12	59	29
Yambio	33	25	42
Maridi	25	31	44
Thiet	18	27	55
Yei	31	22	47
Overall	24	36	40

There is a remarkable commitment to business among the respondents that answered this question. The results show that those in business operate throughout the year. On average, they work 10 hours in a day and 27 days in a month.

Those in the service sector work for more hours and more days in a month due to the nature of their business whose demand is throughout the week. Further analysis shows that there is no distinct difference between the working patterns for women and men.

Table: 1.15
Working patterns

County	Mean number of months in a year	Mean number hours in a day	Mean number of days in a month
Rumbek	11	11	28
Yambio	12	10	25
Maridi	11	9	25
Thiet	12	11	27
Yei	11	11	28
Overall	12	10	27

Table: 1.16
Business type and working pattern

Type of business	Mean number of months in a year	Mean number hours in a day	Mean number of days in a month
Manufacturing	11	9	24
Commerce/trade	12	10	27
Service	12	11	28

Most of the enterprises sampled are fairly small, employing a mean number of three workers. With the exception of Yambio, where on average businesses are sole proprietorships, data from the other counties indicate that the enterprises there are partnerships owned by an average of two entrepreneurs.

Respondent from Yambio also employ the least number of workers (2) while respondents from Thiet and Rumbek have the largest number of employees (4).

Whereas most of the enterprises are micro (quite small), they employ many workers in comparison to similar enterprises in the East African region which tend to be one worker/owner entities. One would conclude that this phenomenon is caused by the high unemployment in South Sudan which makes business the only form of employment available to the entrepreneur and the close relatives. High unemployment also reduces labor costs, which may make hiring more people easier.

The service sector has the largest number of persons running the business followed by manufacturing and service sectors. However, overall two-thirds of the workers are indeed owners, while the remaining one-third are paid workers. It was noted that women proprietors involve fewer persons in the running of the business.

Over 82 percent of the businesses are left in the care of other persons (family member and paid employees) when the proprietors are away. This structure and composition of workers indicates that the enterprises are not completely dependant on the constant presence of the owners. This is crucial for an upcoming MFI to know that most potential members can afford time out their business, probably attending credit-related activities without worrying about losing business which would be case in one-owner operated

business. Although the MFI would need to consider the welfare of the 18 percent of businesses that are one-owner operated when designing its credit program, 82 percent of the respondents can afford to take time off to attend credit meetings.

Table: 1.17
Number of Employees

	Number of proprietor(s)	Number of paid workers	Number of unpaid workers	Total number of persons running the business
Rumbek	2	1	1	4
Yambio	1	1	0	2
Maridi	2	1	0	3
Thiet	2	1	0	3
Yei	2	1	0	3
Overall	2	1	0	3

Table: 1.18
Number of Employees by type of business

Type of business	Number of proprietor(s)	Number of paid workers	Number of unpaid workers	Total number of persons running the business
Manufacturing	1.5	1.4	0.3	3.2
Commerce/trade	1.8	0.6	0.3	2.7
Service	1.8	1.2	0.4	3.4
Overall	1.8	0.9	0.3	3.0

Table: 1.19
Number of Employees by gender

Gender	Number of proprietor(s)	Number of paid workers	Number of unpaid workers	Total number of persons running the business
Female	1.7	0.6	0.3	2.6
Male	1.8	1.0	0.4	3.2

Table: 1.20
Person running the business when the proprietor is away (percent)

County	No one	Spouse	Family members	Paid employees	Partner	Friend	Trainee
Rumbek	20.3		70.3	9.3			
Yambio	17.2	1.1	52.9	18.4	4.6	2.3	3.4
Maridi	25.4	3.2	44.4	20.6	6.3		
Thiet			73.3	26.7			
Yei	14.5	4.8	38.7	33.9	8.1		
Overall	17.8	1.7	56.4	19.2	3.6	0.6	0.8

D. Business Constraints

The respondents were asked to identify three main problems affecting their business performance. Lack of money to buy supplies is the most impeding factor to business growth among existing enterprises in Southern Sudan. Other significant constraints retarding business growth across the counties include transport, lack of customers, shortage of supplies, high taxes, security problems, and poor business premises.

Although men and women identified the same key problems, a higher percent of women lack money to buy products, have customer problems, and suffer from a shortage of supplies.

Asked to give their opinion on the solutions to the problems identified, 79.3 percent of the respondents indicated that access to credit would solve most of their problems. Eleven (11) percent of the respondents indicated that policy intervention by the government/NGO would be required for some of the problems that cannot be solved by credit like transport, taxation, and security. Although respondents in all the counties pointed to transport as a major problem, there was no ‘minor’ solution offered as the transport problem requires a major intervention to fix the bad roads.

Table: 1.21
Summary of business problems

Problem	1st	2nd	3rd
Overall	Lack of money to buy supplies	Lack of customers	Transport
Rumbek	Lack of money to buy supplies	Transport	Security problems
Yambio	Lack of money to buy supplies	Transport	High Taxes
Maridi	Lack of money to buy supplies	Lack of customers	Poor business premises
Thiet	Lack of money to buy supplies	High tax	Transport
Yei	Lack of money to buy supplies	Transport	High Taxes

See annex 2 for county details

Table: 1.22
Business problem by gender

Problem	Female			Male		
	1st	2nd	3rd	1st	2nd	3rd
Lack of enough money to buy products	50.4	9.8	7.9	49.8	8.5	7.3
Lack enough customers	18.1	8.0	4.5	13.4	11.5	5.3
Customers who do not pay	9.4	26.8	7.9	5.1	8.5	4.7
Shortage of supplies	6.3	8.0	9.0	2.8	8.5	4.0
Spoilage of products	3.1	7.1	4.5		3.5	6.0
Loss because of improper pricing	0.8	4.5	4.5	1.4	2.5	1.3
Poor business premises	0.8	3.6	6.7	1.8	1.5	4.7
Theft		0.9	5.6	0.9	1.5	2.7
Security problems	1.6	8.0	6.7	1.8	10.0	3.3
Transport	3.1	8.0	10.1	15.7	23.5	10.0
High taxes	5.5	10.7	23.6	5.1	17.0	37.3
High rent	0.8		1.1	0.5		1.3
Poor roads network			5.6	0.5	1.0	4.0
Expensive licenses		0.9				
Exchange rate problem		0.9	1.1	0.5	0.5	4.7
Corruption			1.1			1.3
Lack of power supply				0.5		
Custom barrier		0.9		0.5		
Lack of skilled labor					1.0	
Too many levies		1.8			1.0	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Table: 1.23
Solutions to the business problems by county (percent)

1st solution to mentioned problems	Rumbek	Yambio	Maridi	Thiet	Yei	Overall
Access to credit	73.8	76.6	77.8	81.8	93.1	79.3
Provision of free money					1.7	0.3
Formal training on how to handle problems	1.9		1.9			1.0
Policy intervention (Govt/non govt)	13.6	15.6	11.1	9.1	1.7	11.1
Formation of association to assist in solving problems	4.9					1.6
Roads/transport	3.9	2.6	1.9	9.1	1.7	3.2
Improving of the marketing system		2.6	1.9		1.7	1.3
Make raw materials available			3.7			0.6
Improve the credit recovery system		1.3				0.3
Have faith that things will change		1.3				0.3
Create jobs			1.9			0.3
Solve currency issue	1.9					0.6

E. Income Analysis

The respondents identified their current business as the single most important source of income. This trend is maintained across the counties. Indeed, a number of proprietors indicated that it was the only source of their income. The second most important source of income in most counties is farming (both crop cultivation and livestock herding). In Rumbek, however, the second most important source of income is building.

Two main conclusions could be drawn from these results:

- Most of the proprietors are likely to exert most of their energies in developing and ensuring that the enterprises perform well since it is the main source of their income. These proprietors are likely to take program policies and procedures seriously.
- The impact of any intervention on the performance of enterprises is likely to have a significant effect on the livelihood of the proprietor and his/her household since the enterprise is an important source of income to the household

Table: 1.24
Sources of income

Income source	1st	2nd	3rd
Rumbek	This business	Building	This business
Yambio	This business	Farming	Building
Maridi	This business	Farming	Farming
Thiet	This business	Farming	Local brewing
Yei	This business	Farming	Agricultural trading
Overall	This business	Farming	Agricultural trading

See Annex 4 for details

The respondents earn an average income of 37.5 US dollars per month from secondary source of income. Respondents from Yambio earn the highest income from other sources mostly farming (US \$115) followed by Maridi with (US \$48.7) and Yei (US \$41.3). Thiet has the lowest income from other sources.

Table 1.25 shows that on average the respondents have a gross income¹ of US \$547. However, Yambio has the highest amount of US \$ 743. Respondents in Maridi have the lowest gross income averaging US\$ 181 per month.

Women are worse off in terms of gross income. Overall, they have a gross income of \$US 269 per month as compared to men at \$US 740 per month. Female respondents in Maridi have the lowest income averaging US \$74 per month.

On the other hand male respondents in Yambio reported the highest gross income of over \$US 962 per month. Commerce generates the highest income in comparison to the other sectors. On average, the sampled enterprise generates a gross monthly income of US \$547. Using this figure and assuming a loan repayment – income leverage of 20 percent (where the repayment includes principle + interest), it appears that the average enterprise could easily afford to repay a one year loan of up to US \$ 1,300.

Table: 1.25
Total Gross income (in US \$) by county

County	Income from other sources	Total monthly expenditure	Dollars saved per month	Gross income
Rumbek	6.6	552.7	130.8	584.4
Yambio	117.5	716.3	139.9	743.2
Maridi	48.7	149.8	54.6	181.7
Thiet	5.3	611.0	118.1	570.1
Yei	41.3	502.2	187.3	559.6
Mean Total	43.2	519.6	132.0	546.9

¹ Calculated by adding total income from other sources, total expenditure and savings. All the currency were standardized to US dollar using a conversion table

Table: 1.26
Gross Monthly Income in US \$ by Gender, Business type and County

County	Female				Male			
	Manufacturing	Commerce	Service	Overall female	Manufacturing	Commerce	Service	Overall Male
Rumbek	57	200	190	173	.	912	37	829
Yambio	43	1071	185	348	22	1500	379	962
Maridi	17	41	108	74	48	364	434	286
Thiet	80	1781	145	504	.	958	252	657
Yei	14	607	190	272	307	633	966	622
Mean								
Total	47	466	162	228	154	928	499	741

The bulk of the business expenses go to purchase of supplies taking 54 percent of the total monthly expenditure. Transport follows with 25 percent. The transport problem is mainly experienced by respondents from Yambio County who spend almost an equal amount of money on transport as they do on the purchase of supplies. The respondents don't invest very much in education with the exception of Yambio. Yambio has the highest percentage of respondents who are 'well schooled' and has the highest investment in education spending a mean of \$US 24 in a month.

Further analysis shows that female respondents spend less than their male counterparts probably because their business is very small. It was also interesting to note that respondents in commerce/trade business have the highest expenditure, followed by service, and then the manufacturing sector. This is because traders need to purchase of supplies, which is their main business.

Table: 1.27
Monthly expenditure in dollar by Expense type

Expense type	Rumbek	Yambio	Maridi	Thiet	Yei	Mean Expense US\$
Supplies	739.7	778.7	178.5	671.2	463.6	645.8
Salaries	84.4	59.4	12.2	144.6	75.8	79.3
Rent	14.8	10.4	7.4	64.6	15.9	31.1
Basic needs	125.0	25.5	12.4	73.9	43.7	56.1
Contribution (army)	8.3	10.8	1.1	.	.	6.7
School fees	.	24.3	22.1	.	8.1	18.2
Transport	81.1	749.7	.	.	49.5	293.4
Water	124.2	.	4.6	.	.	64.4
Tax	1.2	1.7	0.4	2.4	1.2	1.4
Total	552.7	716.3	149.8	484.1	502.2	519.6

Although high taxation featured prominently as a major constraint to business growth, Table 1.27 indicates that taxes and licenses accounts for only 3 percent of the total monthly expenditure. However, some respondents contribute to the army through an un-

standardized amount that was not quantified in the survey. The three percent Gibana tax is also excluded in this computation.

Table: 1.27
Taxation by county

County	Percent
Rumbek	3.4
Yambio	4.1
Maridi	2.5
Thiet	2.5
Yei	0.8
Overall percent	3.0

96.1 percent of the respondents indicated that they are paying tax. Fifty percent of those not paying tax are in the manufacturing business, possibly those that bake at home. The manufacturing sector has the highest tax rate as a percent of total expenditure.

A higher percent of non-tax payers have their business location in the market place (43 percent) while 36 percent are in the commercial zone of town.

Table: 1.28
Tax as a percent of total expenditure

Type of business	Percent
Manufacturing	4.1
Commerce/trade	2.6
Service	3.3

Table: 1.29
Non-tax payers by business location

Business location	Percent
Home	14
Road side	7
Market	43
Commercial zone of town	36

F. Credit Needs

Forty-eight point six (48.6) percent of the respondents started their businesses using their own generated funds, either from past savings (27.1 percent) or the sale of assets (21.5 percent). Farming was the third major source of initial capital accounting for 15.8 percent.

An insignificant number (1.2 percent) of the enterprises were started using institutional credit from an NGO or financial institutions, while a further 5.1 percent obtained credit from relatives, moneylenders, or employers.

There is a higher percent of female respondents who have borrowed from an informal source (relative) as compared to men. However, only male respondents among those questioned had accessed credit from the County Development Committees (CDCs) supported by CRS, which is the only NGO that has given credit for business development in Southern Sudan.

The people of Southern Sudan have for the last over 10 years not known efficient financial services. The hardest hit people are those in the business sector – no surprise that only 1.2 percent have ever received credit from a formal financial source. One would conclude that the people of Southern Sudan have learned to depend on either their own sources of capital or informal sources of credit from the family, friends, and businessmen. Yet despite the importance of savings, South Sudan generally lacks institutional mechanisms for encouraging savings. This is an indication that the new finance program needs to include a savings component as an important service to the micro enterprise sector.

Table: 1.30
Major source of initial capital (in percent)

Source	Gender		
	Female	Male	Overall
Personal savings	26.3	27.6	27.1
Sale of property/assets	16.5	24.4	21.5
Grants	14.3	5.0	8.5
Loan from NGO (spfy) CRS		0.9	0.6
Loan from financial institution	1.5		0.6
Loan from relative/friends	9.0	1.8	4.5
Loan from money lenders	0.8		0.3
Loan from employer	0.8		0.3
Farming	12.0	18.1	15.8
Other types of business	17.3	14.0	15.3
Hiring equipment		1.4	0.8
Member contribution		1.4	0.8
Other employment	1.5	5.0	3.7
Inherit		0.5	0.3
Total percent	100	100	100

Table: 1.31
Major source of initial capital (percent) by county

Capital source/county	Rumbek	Yambio	Maridi	Thiet	Yei
Personal savings	6.8	40.7	34.4	3.3	51.7
Sale of property/assets	28.2	18.6	18.0	30.0	11.7
Grants	8.5	10.5	13.1		5.0
Loan from NGO (spfy)		2.3			
Loan from financial institution	0.9		1.6		
Loan from relative/friends	6.8	3.5	3.3		5.0
Loan from money lenders			1.6		
Loan from employer		1.2			
Farming	13.7	11.6	14.8	46.7	11.7
Other types of business	25.6	8.1	11.5	20	6.7
Hiring equipment		1.2	1.6		1.7
Member contribution					5.0
Other employment	9.4	2.3			
Inherit					1.7
Total percent	100.0	100.0	100.0	100.0	100.0

Table: 1.32
Amount of initial capital in US\$ by gender

Capital source/gender	Female	Male	Overall mean
Personal savings	\$287.4	\$485.5	\$411.8
Sale of property/assets	\$381.0	\$230.1	\$273.8
Grants	\$339.6	\$590.4	\$441.8
Loan from NGO (spfy)		2,729.7	2,729.7
Loan from financial institution	\$548.6	.	\$548.6
Loan from relative/friends	\$20.6	\$33.2	\$23.5
Loan from money lenders	43.2	.	\$3.2
Loan from employer	\$108.1	.	\$108.1
Farming	\$102.6	\$116.7	\$112.9
Other types of business	\$39.5	\$322.0	\$199.4
Hiring equipment	.	.	.
Member contribution	.	\$372.1	\$372.1
Other employment	\$50.0	\$63.1	\$61.1
Inherit	.	\$48.6	\$48.6
Overall mean	\$217.5	\$322.6	\$283.4

Table: 1.33
Credit source in percent by gender

Credit Source	Female	Male	Overall
Never	83.8	90.6	88.1
Bank/other financial institution	1.5	1.8	1.7
NGO	2.2	1.8	1.9
ROSCA		0.4	0.3
Supplier	8.1	2.7	4.7
Family member/friend	1.5	2.7	2.2
Money lender	1.5		0.6
Hire purchase	1.5		0.6
Total percent	100.0	100.0	100.0

88.1 percent of the sample has never received credit from any source.

Table: 1.34
Sources of credit (percent) by county

	Rumbek	Yambio	Maridi	Thiet	Yei	Overall percent
Never	99.2	82.8	82.5	93.3	77.4	88.1
Bank/other financial institution		1.1	3.2	3.3	3.2	1.7
NGO	0.8	4.6	1.6	3.3		1.9
ROSCA		1.1				0.3
Supplier		8.0	6.3		9.7	4.7
Family member/friend		2.3	4.8		4.8	2.2
Money lender			1.6		1.6	0.6
Hire purchase					3.2	0.6

The respondents identified credit access as the main solution to their business problem. The desired amount of loan, however, is quite large, possibly owing to the size of grants (with a loan component) repayable to the CDC that CRS gave under the STAR program. An overall mean of US \$ 4,289 was proposed by the respondents. However respondents in Yambio County desired the highest amount of averaging US\$ 14,408, which raised the overall mean to over \$4,000. On average, respondents from the other counties desired a loan of about US\$ 1,128.

Generally women desired less credit than men in all the counties. The proposed amounts are still generally unrealistic and are extremely higher than the total monthly gross income. Whereas there are strong indications that the loan amounts desired are inflated, there are two reasons which may make them appear plausible to a borrower who has not linked cashflow – ability to repay – to loan size:

- The high cost of obtaining business inputs in the country from Uganda is likely to make enterprises seek high amounts of working capital so as to enjoy economies of scale on bulk purchases.
- It is likely that respondents indicated the amounts of credit which they felt could completely solve their financial problems. Yet experience in credit indicates that small successive ‘doses’ are likely to be more effective and less stressful to a business than a ‘once and for all’ disbursement. Breaking the amount of loan indicated by respondents as desired into three or so ‘dosages’ therefore makes such loan sizes feasible from a microfinance point of view.

Table: 1.35
Proposed loan amounts in US\$

County	Female	Male	Overall
Rumbek	\$541	\$1,087	\$888
Yambio	\$10,288	\$16,688	\$14,408
Maridi	\$488	\$801	\$653
Thiet	\$1,598	\$2,545	\$1,957
Yei	\$136	\$1,208	\$1,015
Overall	\$2,947	\$5,081	\$4,289

Table: 1.36
Proposed Loan Amount and Total Gross Income (US\$)

Female/county	Proposed amount for borrowing in dollars	Total Gross Income
Rumbek	\$541	\$173
Yambio	\$10,288	\$348
Maridi	\$488	\$74
Thiet	\$1,598	\$383
Yei	\$136	\$272
Overall female	\$2,947	\$228
Male/county		
Rumbek	\$1,087	\$829
Yambio	\$16,688	\$962
Maridi	\$801	\$286
Thiet	\$2,545	\$894
Yei	\$1,208	\$622
Overall male	\$5,081	\$741
Total Overall	\$4,289	\$547

Table 1.37 shows a significant difference in the loan amounts desired by the different sectors, with commerce indicating the highest amounts. Respondents in the manufacturing sector proposed the least amounts of credit in all the counties.

Table: 1.37
Proposed loan Amounts by business type

County/ Business Type	Manufacturing	Commerce/ Trade	Service
Rumbek	\$372	\$1,077	\$375
Yambio	\$338	\$1,903	\$37,855
Maridi	\$776	\$816	\$367
Thiet	\$813	\$3,231	\$973
Yei	\$635	\$1,041	\$1,329

G. Proposed Use of Loan

If credit is available, Table 1.38 indicates that the largest number of respondents (78%) require credit for working capital as opposed to opening another business (15%) or purchase of equipment (5%). This is in line with the expectation that, since most enterprises start with relatively small amounts of capital, the pressing need for financing is expansion of working capital. Therefore short-term financing will meet the credit needs of most of the enterprises.

An interesting observation was that a higher number of female respondents said that they planned to open another business with the loan than men. This is because women are in certain types of business because they require little capital to start-up and possibly because they operate mostly in the market/open. With access to credit, it appears some women would opt to change to more suitable and possibly profitable businesses.

Table: 1.38
Proposed credit use in percent by gender

Credit Use	Female	Male	Overall
Purchase more stock for the business	78.4	77.2	77.7
Open another business	17.9	13.4	15.1
Purchase equipment	2.2	7.1	5.3
Hire more labor	0.7	0.4	0.6
Improve farming	0.7	1.8	1.4
Overall %	100.0	100.0	100.0

The desire to increase stock is paramount in this business community regardless of the business type. Those in the manufacturing sector are challenged by the lack of working equipment and hence would like to utilize the loan in purchasing equipment.

Table: 1.39
Credit use by business type (%)

Credit use/ Business type	Commerce/ Trade Service		
	Manufacturing	Trade	Service
Purchase more stock for the business	65.0	82.2	76.6
Open another business	15.0	13.6	17.8
Purchase equipment	16.7	1.6	5.6
Hire more labor	1.7	0.5	
Improve farming	1.7	2.1	
Total	100.0	100.0	100.0

Table: 1.40
Proposed Credit amount in US\$ by credit use and business type

	Manufacturing	Commerce	Service	Overall
Purchase more stock for the business	\$428	\$1,180	\$14,957	\$5,137
Open another business	\$613	\$2,162	\$423	\$1,276
Purchase equipment	\$1,063	\$4,887	\$868	\$1,646
Hire more	\$541	\$5	.	\$273
Improve farming	\$541	\$776	.	\$729
Mean total	\$570	\$1,353	\$11,656	\$4,289

H. Desired Loan Repayment Terms

Over 46 percent of the respondents indicated that they would favor a repayment period of between 6-12 months repayment period, while another 34 percent indicated that they would prefer a repayment period of less than six-months. Nineteen percent of the respondents would like to repay their loan in period of more than one year.

Table: 1.41
Proposed repayment period by county

County	less than 6 months	6-12 Months	Over 1 year
Rumbek	35.7	53.0	11.3
Yambio	36.5	45.9	17.6
Maridi	24.2	41.9	33.9
Thiet	23.3	50.0	26.7
Yei	43.5	40.3	16.1
Overall	34.2	46.9	18.9

However, for those in manufacturing and trade, the repayment period is determined by the amount proposed, i.e. the higher the amount, the longer the proposed repayment period. However, those in the service sector do not sustain this trend.

Table: 1.42
Proposed repayment period by credit amount and business type

Repayment period/ business type	Manufacturing	Commerce	Service
Less than 6 months	\$316.8	\$775.9	\$561.8
6-12 Months	\$697.2	\$1,298.9	\$25,163.0
Over 1 year	\$926.5	\$2,330.8	\$1,090.1

I. Desired loan repayment frequency

Regardless of the business type most clients would like to repay the loan monthly. 85.6 percent of the respondents indicated that monthly loan repayment intervals would be the most appropriate to their businesses. About 12.4 percent of the respondents favoured weekly repayments.

Table: 1.43
Frequency of repayment by business type

	Manufacturing	Commerce	Service	Overall
Daily		1.1	1.9	1.1
Weekly	15.3	11.6	12.3	12.4
Monthly	84.7	86.3	84.9	85.6
Half yearly		1.1	0.9	0.8
Total	100.0	100.0	100.0	100.0

J. Savings patterns

Asked if they saved any part of their income, 70 percent of the respondents confirmed that they saved money on a monthly basis despite the challenges of war. However, there is a higher percent of men savers than women. The analysis does not show a correlation between the saving pattern and number of dependants.

Table 1.46 shows the different places that respondents keep their savings. 67 percent of the respondents keep cash in the house/business premises, while 16 percent buy stock with their savings. Ten percent of the respondents give their savings to other people and

money merchants to keep for them. This confirms that most of the savings are either kept in non-financial form or in risky portfolios, which reinforces the need for savings products in the proposed microfinance institution.

Table: 1.44
Savings patterns by gender in percent

Do you save any of your profit?	Female	Male	Overall
Yes	66.9	72.3	70.3
No	33.1	27.7	29.7
Total %	100	100	100

Generally, most of the respondents across the counties save their profits. Respondents from Thiet County are the lowest savers, with 53 percent indicating that they save, followed by Rumbek with 59 percent.

Table: 1.45
Saving pattern in percent by county

County	Yes	No
Rumbek	59.3	40.7
Yambio	79.3	20.7
Maridi	71.4	28.6
Thiet	53.3	46.7
Yei	85.5	14.5
Overall Percent	70.3	29.7

Table: 1.46
Mode of savings by county (%)

	Rumbek	Yambio	Maridi	Thiet	Yei	Overall
Keep cash in the house/business premise/carry it	88.4	68.7	66.7	93.8	30.2	67.2
Keep money with money merchants		9.0	6.7		5.7	4.8
Keep money with suppliers	2.9				5.7	2.0
Give money to a certain person	2.9	1.5	8.9		11.3	5.2
Buy more stock	4.3	17.9	17.8		34.0	16.4
Buy durable assets (Gold)				6.2		0.4
Bank		3.0			9.4	2.8
Another business					3.8	0.8
Buy more cattle	1.4					0.4
% Total	100.0	100.0	100.0	100.0	100.0	100.0

K. Reasons for not saving

45 percent of the respondents that don't save fail to do so because they lack a safe place to keep their money. 38 percent of the respondents don't save because they use the profits for other financial obligations, like taking care of household needs, while 12 percent indicated that they don't make any profit.

There is a high percentage of women who do not save because they do not make any profits. Unlike men, there is a higher percent of women using profits for other needs. This is particularly so because women have to provide food and manage the affairs of the house sometimes using up all their savings.

Table: 1.47
Reasons for not saving (%)

County	There is nowhere to keep cash	I don't make any profit	I use the profit for other things	I don't need savings my business is enough	Buy more stock
Rumbek	58.0	12.0	28.0		2.0
Yambio	29.4	5.9	52.9	5.9	5.9
Maridi	33.3	16.7	44.4		5.6
Thiet	38.5	15.4	46.2		
Yei			100.0		
Overall %	45.5	12.1	38.4	1.0	3.0

Table: 1.48
Reasons for not saving (%) by gender

Reasons for not saving	Female	Male
There is nowhere to keep cash	40.0	50.0
I don't make any profit	13.3	11.1
I use the profit for other things	44.4	33.3
I don't need savings my business is enough		1.9
Buy more stock	2.2	3.7
Overall %	100	100

Table 1.49 shows that an overall mean of US\$ 132 is saved per month. Maridi County has the least amount of savings at US\$ 54.6. The table also shows that female respondents save much less than their male counterparts across the counties with a mean amount of US\$ 43.6.

Table: 1.49
Monthly savings in US\$

County/Gender	Female	Male	Overall
Rumbek	\$35.9	\$178.2	\$130.8
Yambio	\$65.2	\$188.3	\$139.9
Maridi	\$10.9	\$93.3	\$54.6
Thiet	\$44.2	\$251.3	\$123.1
Yei	\$68.0	\$203.9	\$187.3
Mean Total	\$43.6	\$179.8	\$132.0

L. Group Formation

The success of microfinance is based on the following key principles: provision of financial services to the poor; financial sustainability; and the ability to reach large numbers of clients at low costs. Until the 1980's, the traditional financial institutions considered credit to the 'poor' unviable because the poor take small loans that would be too expensive to administer using the bank's conventional lending procedures. It is for this reason that microfinance programs adopted the group lending methodology which utilizes economies of scale to achieve self sufficiency. A loans officer is able to meet up to thirty clients at one meeting, and some loaning responsibilities are transferred to the group, minimizing time taken and at the same time empowering groups to take up loan collection responsibilities.

Questions were asked during the survey, to determine if the respondents are used to any group activities and if they would be willing to join credit groups. We further set out to determine how big they would like their groups to be and if they would be willing to guarantee loans to their group members.

According to Table 1.50, most entrepreneurs in the Southern Sudan community have not fully embraced the idea of the group. From the sample, only 33.1 percent of the population belongs to a group or association. At the county level, Yei has the greatest percent of members who are in groups (46.8%). It is important to note the conspicuous low level of grouping in Rumbek. Among the respondents interviewed in Rumbek, only 18.6 percent are in some kind of group meaning that over 80 percent are not in any form of a group.

Therefore, if the MFI is to succeed in this region there is need for capacity building on group formation and group dynamics. This is particularly so for those in Thiet and Rumbek. The table below shows the percentage of respondents belonging to a group by county.

Table: 1.50
Respondents in groups (%)

County	Yes	No	Total %
Rumbek	18.6	81.4	100.0
Yambio	36.8	63.2	100.0
Maridi	41.3	58.7	100.0
Thiet	33.3	66.7	100.0
Yei	46.8	53.2	100.0
Overall %	33.1	66.9	100.0

The belief that grouping is more or less associated with women is confirmed true by these results. Results show that there are slightly more women in groups and or associations than men.

Table: 1.51
Respondents in group by county and gender (%)

Female/county	Do you belong to a local group(s)?	
	Yes	No
Rumbek	27	73
Yambio	32	68
Maridi	48	52
Thiet	42	58
Yei	36	64
Overall Female	36	64
Male/county		
Rumbek	14	86
Yambio	39	61
Maridi	34	66
Thiet	18	82
Yei	49	51
Overall male	31	69
Grand overall	33	67

One of the main purposes of group formation is for financial gain through improved access to credit or from rotating savings. Results show that everyone who got initial capital from an NGO – in this case Catholic Relief Service (CRS) – were affiliated with a group. Additionally, 66.7 percent of those who sourced initial capital from members' contribution belong to a group. This shows the importance of groups in assisting to access or provide credit for business development. The table below shows the source of initial capital and grouping in percent.

Table: 1.52
Source of initial capital and grouping in percent

Source of initial capital	Belong to a group		Total
	Yes	No	
Personal savings	43.8	56.3	100.0
Sale of property	15.8	84.2	100.0
Grants	30.0	70.0	100.0
Loan from NGO (spfy)	100.0		100.0
Loan from financial institution	50.0	50.0	100.0
Loan from relative/friends	50.0	50.0	100.0
Loan from money lenders		100.0	100.0
Loan from employer		100.0	100.0
Farming	28.6	71.4	100.0
Other types of business	33.3	66.7	100.0
Hiring equipment	66.7	33.3	100.0
Member contribution	66.7	33.3	100.0
Other employment	30.8	69.2	100.0
Inherit	100.0		100.0

Overall, the respondents are in only one group. However, there are several types of groups, but the key ones are business associations (48%), rotating savings and credit associations - ROSCAS (16.8%), welfare associations (14.3%) and merry go rounds (10.1%), among others. It is important to note that rotating/credit associations and credit guarantee groups are already in existent and are predominant in Rumbek, Yambio, Maridi, and Yei. This is positive because there is potential to use existing groups and associations if they are cohesive. See Table 1.53 for details.

Table: 1.53
Group type by county in percent

Type of group/county	Rumbek	Yambio	Maridi	Thiet	Yei	Overall
Business association	13.6	56.3	57.7		10	72.4
Rotating savings and credit associations	45.5	9.4	15.4			10.3
Credit guarantee group	4.5					0.8
Welfare association	27.3	18.8	3.8		10	10.3
Development Association			3.8		10	3.4
Religious association	9.1					1.7
Merry go round		6.3	19.2		40	3.4
Cooperative society		9.4				2.5
Trade union					10	0.8
Women federation					20	1.7
Overall %	100	100	100	100	100	100

The type of the group determines the number of group members. From the survey, those in the ‘formal groups’ such as business associations, development associations, cooperative societies, and women’s federations have more group members as compared to membership in the ‘informal groups’ such as savings and credit, merry go round, welfare associations and religious groupings. Overall, there is a mean of 10 members per group. (See table for details).

Table: 1.54
Number of members by group type

Group Type	Mean number of members
Business association	13
ROSCAs	7
Credit guarantee group	3
Welfare association	8
Development Association	23
Religious association	4
Merry go round	6
Cooperative society	14
Trade union	7
Women federation	28
Overall mean	10

Regular group meetings increase the cohesiveness of group members. Table 1.55 shows that 47 percent of the respondents meet on monthly basis, 24 percent weekly, and 14 percent as the need arises. However a higher percent (53%) of those in rotating and savings and credit associations meet on weekly basis. This is an important base for the microfinance institution which will require regular meetings with the group members for loan repayment. (See table below.) The analysis did not show any positive correlation between frequency of group meetings and gender.

Table: 1.55
Frequency of group meeting by group type (%)

Group type/ meeting frequency	Weekly	Fortnightly	Monthly	After 2 months	After 3 months	As need arises	Total %
Business association	11	15	55	2		17	100
ROSCAs	53	11	32			5	100
Credit guarantee			100				100
Welfare association	7	13	53			27	100
Development Association	33		33		33		100
Religious association	100						100
Merry go round	42	8	42			8	100
Co-operative society		33	33			33	100
Trade union					100		100
Women federation	50		50				100
Overall %	24	12	47	1	2	14	100

In spite of the fact that there are only 33.1 percent of the respondents in groups, the number of those willing to guarantee others to secure loans is very encouraging (68%) . Yei is leading in willingness to guarantee (85.5%), followed by Thiet (83.3%). Incidentally, Yei is the county with the highest number already in groupings. This is a positive indication that if the microfinance institution adopts a group lending methodology, it may be easily accepted and understood.

Table: 1.56
Willingness to guarantee others

County	Yes	No
Rumbek	64.4	35.6
Yambio	58.6	41.4
Maridi	65.1	34.9
Thiet	83.3	16.7
Yei	85.5	14.5
Overall	68.3	31.7

The findings show that respondents who are currently in groups are more willing to guarantee others to acquire loans than those who are not in groups. 75.6 percent of those willing to guarantee others already belong to a group as compared to 64.7 percent of those willing to guarantee others but they are not in a group. (See table below.)

Table: 1.57
Willing to guarantee others and belonging to a group (%)

Would you be willing to guarantee others	Yes	No
Yes	75.6	64.7
No	24.4	35.3
Total %	100	100

Results show that gender influences willingness to guarantee others. A high percentage of male respondents are willing to guarantee others as compared to women. This is because women are either risk averse or have no assets that they could sell in case of members defaulting. Culturally, in most South Sudan communities women don't own property – everything in the homestead belongs to the male head of the family. (See table below.)

Table: 1.58
Willing to guarantee others by Gender

Would you be willing to guarantee others?	Female	Male
Yes	65.4	70.1
No	34.6	29.9
Total	100	100

As indicated earlier 68 percent of the respondents are willing to guarantee others to secure loans. However, the number willing to group together to secure loans reduces to 58 percent of the respondents.

Table: 1.59
Percent willing to group with others by county

County	Yes	No
Rumbek	51%	49%
Yambio	56%	44%
Maridi	67%	33%
Thiet	67%	33%
Yei	50%	50%
Overall %	58%	42%

Although more men are willing to guarantee others they are less willing to group with others. There is a higher percent of women willing to join a group as compared to men. This is because women are generally poorer than men and forming groups will allow them to access credit for business and other household needs. (See table below.)

Table: 1.60
Percent willing to group by gender

Gender	Willingness to group		Total
	Yes	No	
Female	60.8	39.2	100
Male	55.3	44.7	100

Most of the respondents (68%) favor small groups of up to five people, while 21 percent proposed groups of between 5 and 10 members. This trend is consistent across the counties.

Table: 1.61
Proposed group size in percent by county

Size of the group/county	Rumbek	Yambio	Maridi	Thiet	Overall %
5 people	83.6%	51.9%	59.0%	85.7%	68.4%
5-10 people	13.1%	38.9%	17.9%	14.3%	21.8%
11-15 people	1.6%	9.3%	2.6%		4.6%
15-20 people			5.1%		1.1%
Over 20 people	1.6%		15.4%		4.0%

42 percent of the respondents unwilling to form groups gave several reasons for their decision. However, the main reason given by the respondents was that they didn't want be in a group with people that they are not familiar with (36.6%), while 20.1 percent fear losing assets, and 14.6% favoured small groups.

Table: 1.62
Reasons for unwillingness to group (%)

Reason/County	Rumbek	Yambio	Maridi	Thiet	Yei	Overall %
I would not mind a small group	25.7%	8.9%	3.2%			14.6%
Do not want to be in a group I don't know well	31.1%	53.3%	16.1%	70%	25.0%	36.6%
Don't want to risk losing my asset	21.6%	4.4%	38.7%	20%	25.0%	20.1%
Prefer self responsibility over borrowed money	14.9%	26.7%	16.1%	10%	25.0%	18.3%
Group leadership issue is likely to cause problems	6.8%	4.4%	6.5%			5.5%
don't have time to attend group meetings		2.2%	3.2%			1.2%
do not trust people			9.7%		25.0%	2.4%
no asset management problem			3.2%			0.6%
			3.2%			0.6%

Section Two: County Profiles

Introduction

Below, we present the rapid assessment of each county covered by the survey in detail. These include Yei, Maridi, Yambio, Kajo Keji, Rumbek, Tonj/Thiet, Kapoeta, and Budu Counties, as well as the communities of Pagak, Nial, Ganyial, and Panyagor in the Upper Nile region. Topics covered include brief overviews of the climate, population, judicial system, security situation, transport issues, and taxation. Additionally, this section of the report explores the economic activities, trade links, microenterprise sector, existing microfinance activities, and the activities of NGOs and other institutions in South Sudan.

A. Yei County Profile

Yei River County in Southern Sudan lies 74 kilometers from the Ugandan border and 37 kilometers from the DR Congo border. Within Southern Sudan, the county borders Mundri and Kajo Keji counties. It has been entirely under the control of the SPLA from 1997 and since then, “relative peace” has prevailed, characterized by the absence of ground fighting, but with occasional air bombing by Government of Sudan (GOS) planes. The war that ravaged Yei River County for almost 10 years (1989 to 1997) caused a collapse of the infrastructure; physical, social, economic and institutional.

Climate. Yei County lies about 1,200 meters above sea level, on a hilly plateau that is marked by a savannah like landscape. Rainfall is experienced for seven months from around April to October, but lately the rain patterns have changed with the rain falling from March to November. The region was once known as the breadbasket of Sudan because of its excellent soil fertility.

Population. Yei River County is one of the many counties in Southern Sudan that has not been covered by the National Census Bureau for more than 20 years. When asked by the survey team, the County administration estimates the demographic figure at 297,000, while the SRRA estimated the population at 250,000 inhabitants, and the county development committee (CDC), based on its own survey of 2002, came out with 337,223 people in the county. These conflicting figures indicate the coordination vacuum among various civil authorities within South Sudan, as well as the difficulty in obtaining accurate statistical data in the region.

Since Yei fell into the hands of the SPLA in 1997 and has experienced relative peace, people have continued to flock into the county, with Yei Payam absorbing the biggest number to date. The original tribes of Yei County are the Kakwa, Pojulu, Makaraka, Mondu, Baka, Avukaya, Kaliko and Lugwara. Some tribes occupy particular payams but the tribes are mixed in most of the payams. The displacement and movement of people resulting from the war, as well as the relative calm, have induced an influx of many new people, including some from other tribes of Sudan.

The Political and Administrative Setup. The SPLM authorities have now started to re-establish civil structures, and of all the towns and counties visited by the AEFPP survey team, this was most apparent in Yei town, the central base of the SPLM. The process of establishing civil structures is long and difficult given the challenges they face. It is not clear whether the county is equal to a province or a district, but the assumption is that it is somehow in between. A county is headed by a secretary, a title equal to that of a commissioner. The commissioner’s office is in Yei town, in a compound where most government/parastatal offices are located. The county has six payams/sub counties; Tore, Lanya, Morobo, Yei, Otogo and Lasu. Under each payam, there are bomas, which represent the lowest administrative level.

The Judicial System. The county hosts all the SPLM levels of judicial structures. The Court of Appeals, which is equal to Supreme Court and headed by a Chief Justice; the

High Court; and the County Court are currently located in Yei. These courts are understaffed and operate at a small scale.

In his February 2002 address to the people of Yei, the Chairman of the SPLM/A, Dr. John Garang, admitted the ineffectiveness and inefficiency of the current SPLM government. His comments came after the community questioned the credibility of the law enforcing institutions in the New Sudan.

The Yei County Court has substructures i.e. Payam and Boma/village. Both the county and payam courts apply English or secular laws. Meanwhile, the Boma/village court, which is presided over by the traditional chiefs, applies customary laws. However, with the limited number of trained personnel and where services are rendered on a voluntary basis, there is a high possibility of the legal system being affected by corruption.

Although the recent appointments of Mr. Paul Mayom and Mr. Clement John to the High and County Courts, respectively, were done on professional grounds, substantial improvement on performance in the courts is still desperately needed.

The Security Situation. The security situation in Yei county is generally stable. Bombings by the Government of Sudan (GOS) Antonov planes that were frequent in 1997-2000 ceased in 2001 with one isolated incident in August 2002. The risk of ground fighting coming back to Yei is thought to be rather limited, though there is some concern about the GOS troops massing in nearby Juba, a GOS garrison town. Additionally, it is almost four months now since the soldiers who deserted Torit arrived in the county and caused havoc in Yei. Since then, the situation has remained calm and normal activities are picking up despite low expectations over the positive outcomes of the current peace talks between the SPLA/M and the GOS in Kenya.

Transport. Transportation of goods and people in Yei is a major problem owing to the pathetic state of the roads in the county. However, in the meantime, some trucks do pass via Yei in order to bring relief and trading goods to the SPLM-controlled areas of Western and Eastern Equatoria and Bahr el Ghazal, where trading and NGO activities are taking place.

Most of the traders that we spoke to mentioned transport as the biggest obstacle to business development in the area. The road that links Yei town to Uganda is in an appalling state which means that trucks leaving Arua for Yei – a distance of less than 100 miles – take over six hours during the dry season, and many days in the rainy season. This cost is transferred to the consumer who has to pay inflated prices for goods originating from the neighboring countries. Besides the travel time, there are very few trucks that ply the Yei - Arua/Koboko route, meaning that transport is not always available. Very few truck owners are willing to allow their trucks on this route citing high repair costs. Those that do provide transport charge exorbitant rates. These factors also mean that residents of Yei aren't able to sell their produce competitively in Uganda owing to the high transport costs.

Taxation. Businesses in South Sudan pay a variety of taxes and licenses to the SRRA, the county, and the two SPLM departments of commerce and finance. The taxation is in two forms, national and county level of taxation. The taxes collected by the commerce and finance departments are used to finance the ‘national’ budget, while the county level taxes/licenses finance the county budget. Although Yei County is the headquarters of the SPLM government and Kaya border post in Yei County is the busiest customs collection office in Eastern Equatoria, the county doesn’t get any percentage of the national taxes collected.

Almost all the consumer goods sold in Yei County are imported from Uganda and get taxed at the Kaya Uganda/Sudan border post. Documentation of the tax revenue generated by the various government/ county departments doesn’t appear to be very transparent. The figures given by the various departments seem to be understated. For example, according to the chamber of commerce in Yei, only 152 businesses are licensed. The survey team however counted more than a thousand businesses, most of whom confirmed having bought licenses for their businesses. The tax and license rates charged are tabulated in Annex One.

From the interviews held with the entrepreneurs, it is evident that most of the enterprises in Yei pay some form of taxation and license. Since most consumer goods originate from Uganda, they pay customs duty at the border post in Kaya. The tax rates range from 2 – 15 percent depending on the nature and quantity of goods being imported. A number of the businessmen interviewed in Yei also indicated that they paid some taxation on the Ugandan side, although this is probably not legitimate tax.

There are two other forms of taxes paid by entrepreneurs to the county:

- “Gibana” tax which is charged at the rate of 2 percent of the value of goods leaving or entering the county. Gibana tax is levied on agricultural and wood products.
- Royalty, which is taxed at fifteen percent. Royalty is paid by anyone that requires a permit to cut trees for timber or logging.

A1. Economic Activities

The economy of Yei County depends mostly on subsistence agriculture. Yei River, the biggest river in the county, transverses four payams: Morobo, Otogo, Yei, and Lanya. The river is used by communities that live close by to irrigate farms, especially in Otogo payam where they have small-scale coffee farms. Some small-scale fishing for domestic consumption is also carried out on the river. Although there is potential for more fishing on the Yei River, most of the dried fish sold in the Yei market is brought in from Uganda. Local people related to the AEFPP survey team that the herbal fishing methods used by the local fishermen kill all the fish, so there isn’t much fish available in the local waters.

As a supplement to subsistence agriculture, crop production is the most important source of income for the people of Yei County. Before the war, cash crops such as coffee,

tobacco, and tea, as well as food crops such as sorghum, simsim, cassava, maize, groundnuts, fruits, vegetables, and sunflower were cultivated both for commercial and domestic consumption purposes. But people have now been mostly reduced to subsistence farming with many food crops remaining seasonal. Cassava and groundnuts are especially significant because they form part of the staple diet of the communities living in Yei.

Because it is a tsetse fly infested area, Yei has limited numbers of poultry and livestock, including chickens, ducks, fowls, goats, pigs, and a few cattle. The beef that is sold in Yei town is mostly from cattle brought down to the market from Bahr el Gazal.

Yei County is home to thousands of acres of teak forest. Although the forest belongs to the national forestry department, the county gets a percentage (royalty) of revenue generated from the sale of teak timber/wood. Currently, a Danish firm has a contract with the SPLA/M to extract teak from the forest near Yei. This economic activity provides some employment for a few laborers, as well as for at least one local owner of a tractor, who cuts teak on his own and is paid on a per-log basis. However, most of the revenue generated from the activity appears to be leaving the county.

NGO and other institutional activities. Employment by the international and indigenous NGOs located in Yei town contributes substantially to the Yei economy. There are twelve major international and local organizations operating in Yei:

Table 2.1 Organizations operating in Yei

Name of Organization	Type of Programs
1. ACROSS	<ul style="list-style-type: none"> - Education – Teacher training - Church Support - Water - Health
2. Malteser Yei	<ul style="list-style-type: none"> - Sleeping Sickness Control Program - TB/Leprosy Control Program
3. Kalibu Kwa Yesu	<ul style="list-style-type: none"> - Theology school
4. Harvesters Reaching the Nation	<ul style="list-style-type: none"> - Orphanage Home
5. AAH	<ul style="list-style-type: none"> - Health (Primary Health Care) - Agriculture
6. International Aid Sweden (AIS)	<ul style="list-style-type: none"> - Education - Water - Health - Capacity Building - Agriculture (support forestry)
7. CRS	<ul style="list-style-type: none"> - Institutional Capacity Building - Economic Rehabilitation - Agriculture

- | | | |
|-----|--|--|
| 8. | Norwegian People's Aid (NPA) | <ul style="list-style-type: none"> - Medical program - Training (Vocational Skills & Extension Workers and Farmers) - Relief Activities (Lianya & Wuji) |
| 9. | American Refugee Committee | <ul style="list-style-type: none"> - HIV/AIDS and STDs Control Program - Capacity Building (gender/women empowerment) |
| 10. | World Health Organization | <ul style="list-style-type: none"> - Polio Eradication |
| 11. | Operation Save Innocent Life (OSIL-Indigenous NGO) | <ul style="list-style-type: none"> - De-mining |
| 12. | Oxfam (SLIRI) | <ul style="list-style-type: none"> - De-mining |

A2. Trade Links

Like most counties in Western Equatoria, Yei county has strong trade links with Uganda. However, owing to the longstanding civil war in South Sudan, the manufacturing sector has never developed, and South Sudan has had to rely on commodities imported from the neighboring countries; Uganda, Kenya, and the Democratic Republic of Congo (DRC). The war in Sudan has rendered the government-controlled areas impassable, which in turn has made trade with Khartoum impossible.

Regarding basic food products, Yei produces some of its meat – mostly goat meat – but beef cattle come from the Bahr el Ghazal area. Some fish also come from Bahr el Ghazal, but most comes over the border from Uganda. Additionally, although Yei grows most its food, some of the maize and cassava consumed in Yei comes from Yambio.

Imports. Yei receives imports from two main countries:

Uganda: The Ugandan border is only about 46 miles from Yei town, while Arua (the nearest Ugandan town) is approximately 82 miles from Yei town. Due to the proximity of Uganda, most traders from Yei town purchase their goods from Arua and Kampala in Uganda. These commodities include items like beer, soda, mineral water, sugar, tea, drugs, soaps, wheat flour, toothpaste, toilet papers, stationery, petroleum products, dried fish, second hand clothes/shoes, bicycles and building materials.

DRC: The DRC border is equally as close to Yei town and has attracted trade links with Yei county. The border town of Ariwara is approximately one and a half hour drive from Arua and attracts a lot of traders from Uganda and South Sudan. The town, which is in the rebel-controlled area of Congo, specializes in the trade of African fabrics and electronics and textiles from Dubai.

Kenya: Because the Kenyan border is quite far from Western Equatoria, there is very little direct trade with Yei County. There are some goods from Kenya found on the shelves of Yei shops, but our survey team found that they are obtained via Uganda.

Exports. South Sudan is rich in natural resources and has in a small way been exporting. Yei county produces a lot of honey, teak, lulu, ground nuts, and bamboo. There has been some trade in these commodities with mostly Uganda. Teak timber has attracted buyers from Uganda and Kenya. Currently, through a concession arrangement, a Danish firm has been licensed by SPLM to do timber logging in Kagulu forest in Yei county. The timber is sold in exported to Europe, first on trucks to Kampala and on to Mombasa, and then by sea to Europe.

The other large export from South Sudan is livestock. Dinkas bring their herds of cattle from Bahr-el-Gazal over 600 kilometres to Arua in Uganda in order to sell them and to get some goods in exchange. Finally, it was reported that some individuals are involved in gold mining in the county, in a place called Wudabi. The gold is sold in the black market in Uganda.

In the manufacturing sector, since Southern Sudan manufactures almost nothing, trade with its neighboring countries in manufactured goods is severely imbalanced, with Uganda selling to South Sudan much more than it buys. The net effect is a one-way flow of cash from South Sudan into Uganda, leaving local Sudanese economies critically short of capital and very vulnerable to economic shocks of any kind.

Currency. South Sudan has no currency of its own, following many years of civil war. Owing to the proximity of Yei County to the Ugandan border and the high volume of trade with Uganda, the Ugandan currency is the predominant unit of exchange in Yei town.

However, we were made to understand that some old Sudanese pounds (often in tatters) find their way to the market. It is interesting, however, that in the open market; prices of many things will be given in Sudanese Pounds although the transaction is done in Uganda shillings.

There are plans by the SPLM to introduce a South Sudan currency. At the SRRA office in Yei, specimen notes of the new currency have been posted on the public sign board.

A3. The Microenterprise Sector

Almost all the businesses in Yei can be categorized as microenterprises, with a few being large enough to be called small businesses. Most of these enterprises are owner-managed with several employing one to two people. Most of the microenterprise activities in the town are involved in the trade sector. To some extent, they are also involved in the service sector, with a smaller number being in manufacturing.

Women are increasingly getting involved in business. Their involvement is seen mostly in the service sector and a small number in trade. Women are involved in cassava roasting businesses by the roadside, teashops, restaurants, open air stalls, and secondhand clothes stalls. The more established retail shops, big stores, bars, lodges, and furniture shops are virtually all owned and run by men. But these kinds of businesses are few.

Major businesses in Yei town include:

- Small retail traders, butchers
- Service outlets (restaurants, barber shops, bars, video halls, bicycle repair shops and lodges)
- Manufacturing (flour mills, furniture shops, tailors and brick making)
- Pharmaceutical supplies
- Farm produce trading

A physical count of all the businesses in the town yielded approximately 1,829 entrepreneurs, 938 in trade, 366 in manufacturing and 525 in service. The distribution of the businesses by gender was as follows:

Table 2.2
Distribution of Businesses in Yei

	Trade	Manufacturing	Service	Total	Percentage
Male	846	285	292	1,423	78%
Female	92	81	233	406	22%
Total	938	366	525	1,829	
Percentage	51%	20%	29%		

A4. Existing Microfinance Activities

Yei County, like most areas in Southern Sudan, has a considerable number of international NGOs involved in relief work, and to some extent development work. However, none of the NGOs has microfinance as its core business or focus. Some NGOs have attempted to do some lending as a side business with varying levels of success. In Yei, the survey team learned that a few relief organizations have been involved in some micro-lending or credit activities. The organizations are Catholic Relief Services (CRS), ACROSS and Aktion Africa Hilfe (AAH). Each of these programs is presented in more detail below:

Catholic Relief Services CRS – STAR Program. The Grant Making/Capacity Building component of the USAID-financed STAR program implemented by CRS was a program that gave financial assistance to local groups to set up income-generating activities. The financial assistance given was part loan and part grant, with the loan portion being used to finance the purchase of capital items. The STAR project also saw the establishment of County Development Committees (CDCs), which were meant to manage the loan repayment and build a revolving loan fund. The maximum loan size was US\$40,000 per project, which is very much larger than any loans extended through traditional microfinance efforts using international best practices. In South Sudan, the STAR program and the related CRS and CDC grant-making and lending activities are widely perceived as being a “microfinance” program, though they are not.

In the case of the STAR project in Yei County, a total of US\$ 186,465 was disbursed to six projects. US\$82,616 was disbursed as loans while US\$103,849 was disbursed as grants. Out of the total loan amount disbursed, only US\$17,000 (21 percent) had been repaid by January 2003. While it appears that much of the loan/grant monies were put to productive use, the dismal repayment performance of this project can be attributed to several factors. As part of the rapid microenterprise market survey, the team made the following observations:

- The implementing organization, CRS, is associated with relief activities in South Sudan. An organization associated with relief – which involves emergency disbursement of food and other assistance with no concern about repayment or sustainability – will face difficulty effectively managing a sustainable credit program, which survives only if borrowers repay.
- The combination of grant and loan money through simultaneous disbursement is not a healthy mix for a microfinance outfit as it sends mixed signals to clients and can negatively influence the repayment rates. Since the CDC grant/loan activities are perceived as “microfinance” in South Sudan, it will be critical to clearly differentiate the previous CRS lending activities from the new microfinance activities.
- The STAR loans were much too large to qualify as microfinance loans, and the projects funded may not have been adequately appraised on viability and sustainability (cash flow and the ability to repay a loan), as the objectives of the initiatives were aimed at economic rehabilitation and recovery.
- With some exceptions, group projects are not usually the best use of microcredit aimed at improving livelihoods because (a) everybody is responsible for management which in effect means nobody takes up responsibility for loan repayment, (b) misappropriation of funds is common in group projects, and (c) decision-making is long and complicated since it has to be inclusive, which can severely hamper the project’s efficiency and ability to generate revenue on a cost-recovery basis. Instead, groups are better used as a method to cross-guarantee borrowers involved in their own individual projects and enterprises.
- Disbursement and collection were designed to be done by two different institutions, CRS and CDC, respectively. With no input as to the borrowers selected, the project funded, or the loan amounts given, the CDC representatives complained of great difficulty in being the entity tasked with following up for repayment.
- Because of program requirements or targets, CRS may have been under pressure to move a specific amount of money; hence, large loans and grants were given too quickly, with not enough attention to quality.

- No legal, contractual, or written agreement was signed between the borrowers and the collecting agency, the CDC. Thus, the CDCs have no legal basis or pledged collateral that they can use to pressure borrowers into repaying.

Gender Program, ACROSS. The Gender Program is a revolving loan product initiated by ACROSS in the year 2000. The main objectives of the program are to support and strengthen vulnerable Christian groups such as women and youth in order to foster change within the church in particular, as well as the community at large. The total loan fund available for lending was US\$ 8,000.

This on going program has been made known to the local churches, and applications for loans were invited within the framework of ACROSS programs. After scrutinizing the project proposals from various applicants, the qualified groups are sensitized to the overall program through meetings, which is followed with a contract reached between them and ACROSS.

Loans are disbursed in the form of materials, not cash. In the beginning of the program, there was no interest charged on the loans, but loans disbursed in 2003 will attract a 10 percent interest rate. Loans are also disbursed on the condition that the groups raise an equity contribution of 50 percent of the costs of materials/equipment. The loans are payable in a maximum of five installments which must be settled within six months. By the end of December 2003, eight groups had accessed loans ranging from Ush300,000 to Ush800,000.

According to the loan officer, although most beneficiaries remained faithful and succeeded in repaying the loans, some groups have faced problems. For example, it was mentioned that there have been individual group members who would like to defraud the group as a whole through various methods.

Micro Credit Program, Aktion Africa Hilfe (AAH). The microcredit program supported by AAH was a part of the agriculture program implemented by the Yei County Agriculture Department (CAD). The objective of the program was to motivate farmers, and the loans were disbursed both in kind and cash.

The non-cash loans were disbursed in the form of farm tools and seeds, targeting farmers in the County. Although the AAH officials interviewed indicated that the loans were given on cost-recovery basis, no interest on the loans was charged. The borrowers were expected to repay the principal in full. Repayment was taken in the form of farm produce, similar to how some cooperatives collect on loans in other developing countries.

Cash loans were given to a maximum of Ushs 5,000,000 (US\$2,600), targeting farmers that possess assets like livestock, farms, and houses that could be used as collateral. The money was to be strictly used for land preparation, weeding, and harvesting. Twenty farmers – two of them women – benefited from the scheme, each receiving Ushs 250,000 and paying a five percent interest rate. The repayment was supposed to be made in one

cash installment. This scheme, which was initiated in September 2001, has already been phased out.

There was no defined criterion used in selecting the farmers although in reality many farmers qualified. Farmers were required to submit their proposals to a committee headed by the Inspector of Agriculture. The committee scrutinizes the applications and those selected filled out forms provided by CAD. Once the proposal was approved, a contract was prepared, and three copies are provided. Each of the contracting parties kept a copy and the County Judge kept the third copy.

The County Inspector of Agriculture acknowledged the reluctance of the beneficiaries to repay their loans. Only three out of the twenty farmers who got loans tried to repay back their loans. On the other hand, the local market for farm produce is saturated, and the bad state of the roads in the SPLM-administered areas hasn't made it easy for the farmers to export their produce to areas of low agriculture potential.

B. Maridi County Profile

Maridi County borders Mundri County in the east, Yei County in the southeast, DR Congo in the south, Yambio in the west, and Tonj in the north. Maridi has been controlled by the SPLA since 1990. Although it used to be a target of air bombing by Government of Sudan planes, relative peace has been experienced for the last two years. Like other Counties, Maridi has suffered from the war and the effects are apparent, especially in the collapsed physical, social, economic and institutional infrastructure.

Climate. Maridi lies in the Equatorial belt with slightly hilly terrain 1,200 metres above sea level. There is not much change in the rain patterns. The annual rainfall starts in March and ends in November. The region has great agricultural potential with high soil fertility.

Population. Maridi County is one of the many counties in Southern Sudan which does not have accurate demographic reports since independence in 1956. According to the current CDC's project officer, the official population figure of the county stands at 180,000 inhabitants. These figures are much smaller as compared to that estimated at 240,000 by the SRRA earlier. There is no proper explanation to why the population may have gone down, so it seems more likely that the population estimates are not accurate.

The county originally accommodated five tribes: Mondu, Baka, Avukaya, Zande and Moru Kodo. The Baka tribe is the biggest in Maridi and it accounts for approximately half the Maridi population. Of course, with no reliable statistics on population, these figures are only estimates. Some tribes occupy particular payams, such as Ibba payam, which is occupied by the Zande tribe; while a payam like Mambe is occupied by two tribes, Moru Kodo and Avukaya. With the current war causing displacement of people, today Maridi also hosts additional communities from various tribes of the Sudan.

The Political and Administrative Setup. The SPLM authorities have put up most administrative structures under difficult circumstances, and voluntarism by staff remains the only option, as they are not able to pay salaries. Maridi, like the rest of the counties, has made several changes of its County Secretaries. The Commissioner's office is in Maridi Payam/Town, the main service centre, where most government offices are also concentrated. The county has six payams, each headed by an administrator: Maridi, Ibba, Kozi, Landi-ili, Mambe and Maruko. Under each payam, there are bomas, which represent the lowest level. In spite of the fact that Maridi was liberated almost 13 years ago, economic and development activities are not currently doing very well.

The Judicial System. There are three levels of courts. The County Court applies English Law and is presided over by Judge James Bakinda. The Payam Court, which applies Customary Law, is presided over by traditional chiefs, and the Boma/Village Court is presided over by sub-chiefs and applies Customary Law. According to the local people interviewed during the survey, especially those in the business community, these Courts are relatively ineffective and have failed to deliver justice due to corruption and incompetence resulting from the difficulty in enforcing law and order.

The Security Situation. Between 1990 and 2000, Maridi experienced frequent bombings by the Government of Sudan, but these bombings were reduced in 2001. Today, the current military frontlines are far from the Maridi County borders. However from 2001, Maridi has experienced some internal and tribal conflicts that have claimed some lives. The tension between the indigenous people and displaced cattle rearing tribes remains high. The indigenous people that don't keep livestock accuse the pastoral communities of grazing their animals on their grain fields. Most of the people to whom we spoke felt that the pastoral people from Bahr el Ghazal should leave the county along with their animals. At times, conflicts also arise between the displaced or migrating communities themselves.

In spite of these hurdles, normal economic and social activities are picking up slowly. Additionally, there is hope that if the current peace talks between the SPLA/M and the Government of Sudan in Kenya yield positive outcomes, things will improve in the whole country.

Transport. Like everywhere else in South Sudan, transportation of goods and people in Maridi is a major problem owing to the poor state of the roads in the county. The only mode of transport available to the people of Maridi is by trucks that come from Uganda via Yei in order to bring relief and trading goods to the SPLM-controlled areas of Western and Eastern Equatoria and Bahr el Ghazal.

Transport is one of the biggest hindrances to business growth in Maridi and South Sudan as a whole. The road that links Maridi to Uganda via Yei is in an extremely poor state, which means that trucks leaving Arua for Maridi – a distance of 340 kilometers – take two days during the dry season, and over five days during the rainy season. This cost is transferred to the consumer, who has to pay inflated prices for goods originating from the neighboring countries. Because of the travel time and poor roads, there are very few

trucks that ply the Maridi /Yei - Arua/Koboko route, meaning that transport is not always available. Very few truck owners are willing to allow their trucks on this route citing high repair costs. Those that do, charge exorbitant rates.

The transport problem is also one of the main reasons why Maridi goods cannot sell competitively in Uganda owing to the high transport costs.

Taxation/licensing. From the interviews held with the entrepreneurs in Maridi, it is evident that most of them pay some form of taxation and license. Since most consumer goods originate from Uganda, they pay customs duty at the border post in Kaya. The tax rates range from 2 – 15 percent depending on the nature and quantity of goods being imported. As with Yei, there are two other forms of taxes paid to the county:

- Gibana tax which is charged at the rate of 2 percent of the value of goods leaving or entering the county. Gibana tax is levied on agricultural and wood products.
- Royalty tax, which is taxed at fifteen percent. Royalty is paid by anyone that requires a permit to cut trees for timber or logging.

B1. Economic Activities

As in most of Western Equatoria, the economy of Maridi County is dependant on subsistence agriculture, and crop production is the most important source of additional income for the people. Coffee and food crops like sorghum, simsim, cassava, maize, groundnuts, fruits, vegetables, and sunflower are cultivated both for commercial and domestic purposes. A visit to the market in Maridi town confirmed that cassava and groundnuts are the most important commercial crops in the county. This is because both crops form part of the main diet of the Maridi people, as well as other communities in Western Equatoria and parts of Eastern Equatoria.

The people of Maridi do not keep any livestock because they believe that the area is tsetse fly infested. However, the CDC officials confirmed that several Dinka people have migrated to the area and keep livestock comfortably without much incidence of tsetse fly. Chicken is a regular item on the menu; it is reared by most households both for domestic and commercial purposes. Due to the fact that the chicken is reared free range, they take a long time to mature and are not produced en masse. The beef and goat meat that is sold in Maridi town is from livestock brought from Bahr el Gazal.

Maridi County also produces a lot of honey. Under the STAR program, CRS financed a honey project that buys honey from farmers and sells it in bulk to Baraka College in Kenya. Baraka College collects the honey from Maridi and meets the cost of transporting it to Kenya. This is one sector that has a lot of potential if only the quality of the honey can be improved. A visit to Honeycare, Ltd., in Nairobi, which buys Sudanese honey from Baraka, revealed that the Sudanese honey is delivered in such poor quality that it

can not be sold as is. Because it is harvested using smoke, it retains the smoke flavor and smell. Additionally, it is full of dead bees, larvae, and pieces of the hive. To sell this honey, Honeycare must first remove all impurities, and then mix it on a ratio of one part Sudanese honey to three parts Kenyan, in order to get rid of the smoke smell and taste and sell it on the Kenyan market.

Maridi also has reasonable amounts of teak wood but not on the scale of Yei and Yambio. The teak is mostly used within the county to make furniture, firewood, and for construction for personal use, which doesn't generate much revenue for the county.

NGOs and Other Institutional Activities. Maridi County has eight international NGOs most of which are located in Maridi town. The NGOs employ an estimated total of 332 Sudanese staff; AAH is the biggest employer having 165 employees. NGOs are the most significant employers in Maridi, and although we could not determine the total wage bill for all the NGOs, it is a fact that they are the main contributor to the local economy that is otherwise dependant on subsistence farming. The following institutions are operating in Maridi:

Table 2.3
Organizations operating in Maridi

Name of Organization	Type of Programs
1. Aktion Africa Hilfe - AAH	<ul style="list-style-type: none"> - Health – Managing the local hospital - Primary Health Care - Agriculture
2. AMREF	Training of clinical officers
3. CRS – Catholic Relief Services	<ul style="list-style-type: none"> - Agriculture - Education - Economic Rehabilitation
4. MSF France	Health – Sleeping sickness located in Ibba
5. CARE	Education
6. International Aid Sweden (AIS)	<ul style="list-style-type: none"> - Education - Water - Health
7. JB (Commercial firm)	Drilling
8. OCKADEN	Business Training

All the consumer goods sold in Maridi County are imported from Uganda and get taxed at the Kaya, Uganda/South Sudan border post. Besides the customs tax levied at the border, which finances the national budget, the local authority licenses the businesses in the town. According to the Maridi county revenue office, only 125 businesses are licensed in Maridi town, 78 shops and 47 hawkers.

The county levies a charge of 10 percent on all construction and transport contracts with NGOs. Local staff employed by international organizations pay the county 10 percent of

their salaries as income tax. The county office is allowed to retain 15 percent of the income tax collected, and remits the other 85 percent to the local SRRA office. The tax and license rates charged by the county and the government, are tabulated in Annex One.

B2. Trade Links

As mentioned previously, Maridi County has strong trade links with Uganda. Most of the consumer goods sold in Maridi are imported from the Uganda and the Democratic Republic of Congo (DRC) through Uganda. However, Maridi is able to sell some of its agricultural produce to Uganda and Bahr el Ghazal.

Imports. Maridi County imports goods from the following countries:

Uganda: The consumer goods sold in Maridi are imported from Uganda. Most of the traders purchase their goods from Koboko and Arua, in northern Uganda. These include commodities like beer, soda, sugar, tea, drugs, soaps, wheat flour, toothpaste, toilet papers, stationery, petroleum products, dried fish, second hand clothes/shoes, bicycles and building materials.

DRC: The DRC borders Maridi County but there are no access roads connecting the two regions. Access to the DRC border town of Ariwara is made through Arua in Uganda. Ariwara is approximately one-hour drive from Arua and attracts a lot of traders from Uganda and South Sudan. The town, which is in the rebel-controlled area of Congo, specializes in African fabrics, second hand clothes, electronics, cosmetics and textiles from Dubai. Because the area is controlled by rebels, no tax – or at least less taxation through informal collection – is levied on goods, making them cheaper than those purchased in Uganda. Enterprises in Maridi sell a lot of goods that originate from Ariwara.

Exports. Maridi County produces surplus amounts of honey, ground nuts, cassava, and simsim which are exported to Uganda. As mentioned previously, honey is also exported to Kenya by the New Sudan Honey Association, which has a trading contract with Baraka College in Kenya. Baraka buys all the honey that the association is able to supply at a farm gate price of US\$ 450 per ton. The association has so far sold 40 tons of honey to Baraka.

Internally, Maridi trades with Bahr el Ghazal. The meat consumed in the county is from goats and cows that come from the Bahr el Ghazal area. On the other hand, Maridi sells cassava, cereals and fruits to the Bahr el Ghazal region.

Currency. As mentioned before, South Sudan has no currency of its own, following many years of civil war. Due to the fact that Maridi County does most of its trading with Uganda, the county like everywhere else in Western Equatoria has adopted the Uganda shilling as its unit of exchange. At a very small scale, one can use the dollar to buy goods from the big established shops but with a slim chance of getting change in dollars, and the exchange rate is at least five percent lower than what can be obtained in Arua.

One retailer at the town centre does currency exchange which is limited to dollars, Kenya shillings, and Uganda shillings. However, he doesn't always have change which means that one cannot get change in dollars or Kenya shillings.

B3. The Microenterprise Sector

Virtually all of the businesses in Maridi can be categorized as microenterprises, with a few being large enough to be called small businesses. Most of them are owner-managed, with a number employing one to two people. Trade accounts for 60 percent of the businesses in Maridi town, while service accounts for 32 percent. The number of businesses in manufacturing are few approximately 8 percent of the total businesses in Maridi.

Significantly, overall there are more women involved in business in Maridi than men. Approximately 51 percent of the businesses counted in Maridi are owned by women. Most of the women are involved in the service and trade sectors. The open air market in Maridi is dominated by women selling cassava flour, palm oil, honey and grains. Women also run the teashops, restaurants, and bars selling local brew. However, the more established retail shops, big stores, bars, lodges, and furniture shops are mostly owned and run by men. Major businesses include:

- Small retail traders, butchers
- Service outlets (restaurants, barber shops, bars, video halls, bicycle repair shops, and lodges)
- Manufacturing (flour mills, furniture shops, tailors and brick making)
- Pharmaceutical supplies
- Farm produce trading

A physical count of all the businesses in the town yielded approximately 521 entrepreneurs: 314 in trade, 40 in manufacturing and 167 in service. The distribution of the businesses by gender was as follows:

**Table 2.4
Distribution of Businesses in Maridi**

	Trade	Manufacturing	Service	Total	Percentage
Male	208	23	22	253	49 percent
Female	106	17	145	268	51 percent
Total	314	40	167	521	
Percentage	60 percent	8 percent	32 percent		

B4. Existing Microfinance Activities

Maridi County has not had any serious microfinance programs, although some credit programs have been tested in the area. Catholic Relief Services (CRS) and Aktion Africa Hilfe (AAH) have done some lending in Maridi to the agriculture and business sectors. These programs are detailed below:

Catholic Relief Services CRS – STAR Program. Catholic Relief Services (CRS), through the Grant Making/Capacity Building component of the USAID-financed STAR program, gave financial assistance to local groups to set up income-generating activities. The assistance was part loan and part grant, with the loans financing the purchase of capital items. As mentioned above in the Yei profile, the project also saw the establishment of County Development Committees (CDCs), which were meant to manage the reflows from the loans and build the revolving fund. The maximum loan size was US\$40,000 per project.

In Maridi County, a total of US\$ 130,500 was disbursed to five projects: a sawmill, grinding mill, apiculture initiative, transport project, and a farmers association. Out of the total loan amount disbursed, only approximately US\$ 10,000 (7.7 percent percent – note that the CDC officials couldn't give us the exact amount of loan repaid) had been repaid by February 2003. The Maridi CDC is currently considering the use of the reflows to onlend to microentrepreneurs. They have an intention of lending through solidarity groups.

Aktion Africa Hilfe (AAH) Microcredit Program. A regional agriculture rehabilitation program was supported by AAH but implemented by the Maridi agriculture office. The objective of the program was to motivate farmers through agriculture loans and covered covered 3 counties; Yei, Maridi and Mundri. It started in the year 2000 and ended in 2001. However, the agriculture department sustained the program in 2002 with some support from AAH.

Loans were disbursed in cash and in kind. The non-cash loans were disbursed in the form of farm tools, inputs and seeds, targeting farmers in the county. Although the officials interviewed indicated that the loans were given on a cost-recovery basis, no interest on the loans was charged. The borrowers were expected to repay the principal in full. Repayment was in the form of farm produce.

Besides the agriculture loans, grinding mills were given to women's groups, two in each county, for income generating purposes. The mills were given on loan.

In the year 2001, a revolving loan fund was set up that disbursed loans worth five million Uganda shillings to 42 farmers in Maridi, three million Uganda shillings to 21 farmers in Mundri, and five million shillings to 19 farmers in Yei. The loans were given using the following process:

1. Farmers were invited to apply for credit.
2. Applications were vetted by a committee set up to shortlist applicants. The committee was made up of:
 - A representative of the county agriculture department
 - AAH representative
 - CDC representative
3. Short listed applicants were interviewed.
4. Selected candidates filled application forms.

Besides getting a character assessment, the applicants had to have some form of collateral for their loans. Farmland, fixed assets, and livestock were used as collateral, and the following maximum loan sizes were used:

Yei	Ushs 250,000
Mundri	Ushs 150,000
Maridi	Ushs 150,000

The purpose of the loans was to boost crop production by providing capital during land preparation, weeding, and harvesting. The loans were payable in two installment over one year and included an interest rate of 5 percent. The two installments were payable after each harvest.

The agriculture coordination office trained farmers in agriculture extension, while AAH donated two trucks to the office to assist them in marketing the farm produce from the three counties.

C. Yambio County Profile

The battle for the control of Yambio between the SPLA and Government of Sudan lasted only one day in 1990. With little resistance, the town fell into SPLA hands leaving its building structures intact. The county is surrounded by three other counties: Tombura in the west, Tonj in the north, and Maridi in the east. Yambio borders DR Congo in the south. Although Yambio town didn't suffer the same scale of destruction seen in the other towns of South Sudan, the social, economic and institutional infrastructure has been severely weakened by the war.

Climate. Like Maridi and Yei, Yambio lies in the Equatorial belt about 1,200 meters above sea level, in a hilly high plateau, that is marked by a thick savannah forest. The rainy season begins in March and ends in November. Yambio is a region of very high

agriculture potential. Fruits like oranges, pineapples, and paw paws thrive in Yambio. People in Yambio believe that the area is tsetse fly infested; hence, very little livestock is kept in the area.

Population. Based on SRRA statistics, the population of Yambio County is estimated at approximately 247,769 inhabitants. These figures include internally displaced people (IDPs) from other parts of Sudan. Nonetheless, the county SRRA office is the only office that maintains records on the population movement. Like other counties, Yambio does not have any reliable demographic data.

One tribe, the Zande, which is the second largest ethnic group in Southern Sudan, was the original occupants of the county. With the current war causing displacement of people, the present day Yambio hosts other communities from various tribes of South Sudan, especially IDPs from the Dinka and Nuer tribes.

The Political and Administrative Setup. An SPLM Secretary heads the county. The position of the Secretary is a political one, and the Chairman of SPLM/A, Dr John Garang, directly makes appointments to such offices. All the county secretaries in the SPLM administered areas are military people and they do not directly account to the people through an electoral process. Yambio Payam is the headquarters of the county where the county government offices are located. The county has seven payams each headed by an administrator: Yambio, Nzara, Bangasu, Nadiangere, Li Rungu, Gangura and Sakure. Gangura and Sakure payams are inaccessible by vehicle due to bad roads, creating communication and trade problems. Under each payam, there are bomas, which represent the lowest level of the administrative structure.

The Judicial System. There are three levels of courts in Yambio. The County Court applies English Law and is presided over by Judge Richard Matabish. The Payam Court, which applies Customary Law, is presided over by traditional chiefs. The Boma/Village Court is presided over by sub-chiefs and also applies Customary Law. The local people interviewed during the survey, especially the business community, expressed that they feel these courts are ineffective and have failed to deliver justice due to corruption and incompetence.

The Security Situation. Since 1990 when Yambio was taken over by the SPLA, it has not experienced any aggression by the Government of Sudan war planes except for one isolated incident. However, from the beginning of the year 2002, the security situation started to deteriorate. It became worse after the Torit crisis in mid-2002, where the deserters went on rampage and looted private property, especially in Yambio.

There have been rumors in Yambio about a possible outbreak of war between the SPLA and the Government of Sudan, which has also created mistrust leading to fear, suspicion, and tension, especially between the natives and displaced pastoralist communities. The recent raid of the UNICEF compound by some gunmen in March 2003, after the AEFPP survey team had left Yambio, is another indication of the ongoing insecurity in the county.

In spite of the uncertainty that looms over the county, there is still high hope that once the current peace talks between the SPLA/M and the Government of Sudan in Kenya yield positive outcomes, people will begin to live normal lives again where security, peace and unity prevail.

Transport. Like everywhere else in South Sudan, transportation of goods and people in Yambio is a major problem owing to the poor state of the roads in the county. Yambio relies on road transport provided by trucks that come from Uganda via Yei

Transport is one of the biggest hindrances to business growth in Yambio and South Sudan as a whole. The road that links Yambio to Uganda via Maridi and Yei is in an appalling state which means that trucks leaving Arua for Maridi/Yambio – a distance of approximately 473 kilometers – can take three days during the dry season, and over five days during the rainy season. The business people pay Ush3.5 million (around US\$1800) to hire a truck from Koboko in Uganda to Yambio during the rainy season and Ush800,000 (US\$410) during the dry season. Transporter charge Ush10,000 to transport a bag of salt (which costs Ush17,000) from Koboko to Yambio, adding an amazing 59 percent to the cost of the product simply for transport. This cost is transferred to the consumer who has to pay extremely inflated prices for goods originating from the neighboring countries.

Besides the travel time, there are very few trucks that ply the Yambio-Yei - Arua/Koboko route, meaning that transport is not always available. When the survey team was in Yambio, there was a shortage of soda so the price had shot up to Ush2,000 from the normal price of Ush1,700.

Taxation/licensing. Taxation in Yambio is done at the same scale as the other counties in Western Equatoria. Since most consumer goods originate from Uganda they pay customs duty at the border post in Kaya. The tax rates range from 2 – 15 percent, depending on the nature and quantity of goods being imported. There are two other forms of taxes paid to the county:

- Gibana tax which is charged at the rate of 2 percent of the value of goods leaving or entering the county. Gibana tax is levied on agricultural and wood products.
- Royalty tax, which is taxed at fifteen percent. Royalty is paid by anyone that requires a permit to cut trees for timber or logging.

C1. Economic Activities

Like most rural communities, Yambio County depends a lot on subsistence agriculture. The county grows substantial amounts of grains like sorghum, simsim, cassava and maize, groundnuts, fruits, vegetables, sunflower, and some small amounts of coffee. Most of the food in Yambio is grown for domestic consumption. The amount of food sold in the market in Yambio was much less than the survey team had seen in Maridi and Yei.

There was less cassava flour in the market and more fruits (oranges, paw paws, bananas), vegetables, maize, beans, groundnuts and palm oil.

Like the rest of Western Equatoria, the indigenous inhabitants of Yambio don't keep any livestock because they believe that the area is tsetse fly infested. But several Dinkas have migrated to the area from Bahr-eh-Ghazal and keep livestock comfortably without much incidence of tsetse fly. Most households rear chicken for domestic consumption and for sale. It is therefore common to find live chickens being sold in the market. Chicken is part of the local diet. The beef and goat meat that is sold in Yambio town is from livestock brought from Bahr el Gazal.

Yambio produces a reasonable amount of honey which is sold locally in the markets. Honey is a major ingredient in the local alcoholic brew called "Aragi." This brewing industry is the single biggest consumer of honey in Yambio, Maridi, and Yei. Yambio however, has the capacity to produce more honey, but this potential hasn't been exploited because an external market hasn't been identified yet.

Yambio County has the second biggest forest of teak wood after Yei County. The teak forests are a national resource and the county doesn't get the revenue generated from the sale of the wood. However, there exists a policy that allows the hosting county an allocation of 10 percent of the revenue earned from natural resources in the county. Although logging of teak has been going on for the last three years, officials reported to us that Yambio County hasn't received any income from it yet.

NGOs and Other Institutional Activities. Yambio County has seven international organizations most of which are located in Yambio town. International institutions are the most significant employers in Yambio, and although we did not determine the total wage bill for all the NGOs, it is a fact that they greatly contribute to the local economy that is otherwise dependant on subsistence farming. There are seven institutions operating in Yambio:

Table 2.5
Organizations operating in Yambio

Name of Organization	Type of Programs
1. UNICEF	Education
2. ADRA	Education
3. WHO – World Health Organization	Polio Eradication
4. Catholic Relief Services	Water and sanitation Economic Rehabilitation Peace and Justice
5. IMC – International Medical Corps	Health – River blindness
6. World Vision	– Water – Sanitation

Yambio imports all the goods sold in its shops from Uganda and to a lesser extent the Democratic Republic of Congo. Goods coming from Uganda to Yambio through Maridi and Yei are taxed at the Kaya, Uganda/South Sudan border post. The county earns revenue from the business community through local taxation and trading licenses which are charged at the different rates indicated in Annex One. The county charges a 3 percent Gibana tax for goods leaving and entering the county and a 3 percent payam tax for goods sold in the open market.

A total of 94 businesses are licensed by the county although the survey team physically counted 876 businesses.

C2. Trade Links

Like everywhere else in Western Equatoria, Yambio obtains most of its non-agricultural commodities from Uganda. The fact that Yambio on one side neighbors the Democratic Republic of Congo (DRC) means that there is some form of trade between the two regions

Imports. Yambio imports goods from the following countries:

Uganda: Yambio get its consumer goods from Uganda through Yei and Maridi. Most of the traders purchase their goods from Koboko and Arua, North Uganda. These goods include commodities like beer, soda, sugar, tea, drugs, soaps, wheat flour, toothpaste, toilet papers, stationery, petroleum products, dried fish, second hand clothes/shoes, bicycles and building materials.

DRC: The DRC borders Yambio County, and the survey team learned that there is some informal trading that goes on between the two regions. Farmers from the DRC sell rice and beans to Yambio residents. In addition, Yambio traders also get African fabrics, second hand clothes, electronics, cosmetics, and textiles originating from Ariwara in the DRC.

Exports. As far as our survey team could determine, Yambio County does not export any goods outside the country. Although the potential exists for export of fruits, this requires better infrastructure given the perishability of fruits.

Internally, within South Sudan, Yambio sells palm oil to Maridi county.

Currency. South Sudan has no currency of its own, following many years of civil war. Due to the fact that Yambio County does most of its trading with Uganda, the county like everywhere else in Western Equatoria, has adopted the Uganda shilling as its unit of exchange. At a very small scale, one can use the dollar to buy goods from the big established shops at a poor exchange rate, and with a slim chance of getting change in dollars.

A number of businessmen in Yambio town conduct currency exchange as a side business, earning money through arbitrage. Such exchange services are limited to dollars, Kenya shillings, and Uganda shillings. The Nile Commercial Bank indicated that they had few dollars which they didn't want to part with, and the bank's foreign exchange function hasn't become fully operational.

C3. The Micro Enterprise Sector

Yambio has more established business structures than Maridi and Yei probably because the town didn't experience much destruction during the war. The organized nature of the town makes it look much bigger than it actually is. Yambio has a sizable number of relatively big businesses, mostly wholesale stores and beer/soda distributors. The town even has an indigenous 'commercial bank' – Nile Commercial Bank, which opened recently, but is not yet lending. However, the bulk of the businesses in Yambio can be categorized as microenterprises. Most of businesses are owner-managed with the bigger ones employing one to two people.

Trade accounts for 47 percent of the businesses in Yambio town, while service accounts for 31 percent and manufacturing 22 percent. Approximately 37 percent of the businesses counted in Yambio are owned by women, and 49 percent of the women running businesses in Yambio are in service-oriented businesses. These include restaurants/tea shops and hair salons.

The open air market in Yambio was quite small in comparison to Maridi. Like the other towns visited by the survey team, the more established retail shops, big stores, bars, lodges, and furniture shops are mostly owned and run by men. Major businesses include:

- Small retail traders, butchers
- Service outlets (restaurants, barber shops, bars, video halls, bicycle repair shops and lodges)
- Manufacturing (flour mills, furniture shops, tailors and brick making)
- Pharmaceutical supplies
- Farm produce trading

A physical count of all the businesses in the town yielded approximately 876 entrepreneurs, 414 in trade, 190 in manufacturing and 272 in service. The distribution of the businesses by gender was as follows:

Table 2.6
Distribution of Businesses in Yambio

	Trade	Manufacturing	Service	Total	Percentage
Male	320	120	113	553	63%
Female	94	70	159	323	37%
Total	414	190	272	876	
Percentage	47%	22 %	31%		

C4. Existing microfinance activities

Yambio County, like most areas in Western Equatoria, benefited from the Catholic Relief Services (CRS) implemented credit program currently being managed by the County Development Committee (CD). Yambio has also witnessed the set up of an indigenous commercial bank that is expected to offer credit among other financial services. These credit activities in Yambio are highlighted in more detail below:

Nile Commercial Bank. Nile Commercial Bank, Ltd., is an indigenous financial institution registered in South Sudan with the SPLM. The bank is headquartered in Yambio Town is in the process of being capitalized through public shareholding. Currently, 1,491 shares valued at US\$ 20 each have been sold, bringing the share capital to US\$ 29,820. The bank has 44 shareholders.

The share capital, however, has not yet been enough investment to finance the full set-up costs of the bank, such as the installation of computers, information technology and communication equipment. The bank also is in need of further investment to raise loan capital.

The bank, which started operating on February 8th, 2003, has renovated a building and equipped it with furniture. The essential staff has been recruited and are working. The bank has only managed to open eight savings and current accounts which aren't adequate to finance the operating expenses in addition to building up a loan fund. The paid up capital has already been used up in set up and initial operating costs. The bank therefore is already experiencing cash flow problems. As of April 2003, the managing director of Nile Commercial Bank was in Nairobi, trying to raise desperately needed investment capital.

Although it may be too early to gauge their performance, the bank staff also admitted that people weren't too enthusiastic about opening bank accounts for the following reasons:

- The people have no banking culture since South Sudan has had no banks in the last decade, and even before the war there weren't that many banks.
- People are suspicious and think Nile Commercial Bank is linked to SPLM and the new currency.

- There are many people that would rather wait to see how the bank performs before placing their savings there.
- Banks were looted and ransacked in during the war and many people lost their savings.

Unless Nile Commercial Bank pumps in additional capital that will enable it to lend and give depositors enough cushion for their deposits, it may not survive beyond its first year.

Catholic Relief Services CRS – STAR Program. Catholic Relief Services (CRS) through the Grant Making/Capacity Building component of the USAID-financed STAR program gave financial assistance to local groups to set up income-generating activities. The assistance was part loan and part grant, with the loans financing the purchase of capital items. The project also saw the establishment of County Development Committees (CDCs), which were meant to manage the reflows from the loans and build a revolving loan fund. The maximum loan size was US\$40,000 per project.

In Yambio, ten projects were financed, eight income generating projects and two capacity building projects – the CDC and the chamber of commerce. US\$ 102,000 was disbursed as loans to the eight projects payable in 2- 4 years. The loans ranged from US \$ 5,000 – 43,500. Yambio Farmers Association got the largest loan of US\$ 74,000, being both part loan and part grant.

The performance of the CDC clients varies: The women Revolving Loan Project financed by STAR has performed poorly due to some deaths and absconding of funds by some of the women clients. The cohesion of the group is also questionable as the CDC believes the group formed for the sole purpose of accessing the ‘STAR’ funds.

The Green Belt Transport Company, begun in 1997, is another defaulter. The group has had serious management problems which has forced the CDC to transfer ownership of the truck twice. The chairman of the first group has been sued by the CDC for misappropriation of revenue generated from the truck. The case is pending judgment at the court of appeal in Yei. The company got a loan of Ush44 million (about \$22,500).

Out of the total loan portfolio of US\$ 102,000, only around US \$ 30,000 had been repaid by end of February 2003. The CDC has initiated a revolving loan fund to utilize these reflows from the STAR program. The credit program will operate on the following conditions:

- It will initially target microentrepreneurs and later assist farmers.
- The lending methodology will be solidarity groups of 15 members each.
- Application fee will be Ush2,000, membership fee Ush15,000, and required savings Ush20,000 per month.
- Loan size – US \$300 per person
- Loans will staggered among the group - 2 – 2 – 1
- Interest rate 15 percent

- Grace period is two months, loans payable monthly.

Currently, 18 applicants are being screened under this new scheme. The CDC banks in Arua, Uganda and transports money to and from their office by road. Other organizations, such as UNICEF, are supporting the CDC by helping them to identify small enterprises in their community centers.

D. Kajo Keji County Profile

Kajo Keji County is located 1,000 meters above sea level. It borders Yei County in the west, Juba County in the north, Magwi County in the east, and Uganda in the south. In 1990, Kajo Keji town fell into the hands of the SPLA/M. It remained under their control until 1994 when the GOS claimed it back. But by 1997, the SPLA forces overran the town again. Such changes of hands have forced most of the businesses to relocate in the nearby town of Moyo in Uganda.

People. Only one tribe, the Kuku, a Bari-speaking group, inhabits the county. During the course of the war, some other displaced communities, especially from the Upper Nile region got resettled in Bamure and Mangalotore IDPs camps, which are near to Kajo Keji town. The county SRRA office estimated the population at 135,000. In spite of the current relative peace in the county, most natives have either chose to remain in their remote villages, or in Uganda, leaving the town sparsely populated.

Political and Administrative Setup. As with the rest of the counties, the County Secretary, the highest political position, heads Kajo Keji. The county comprises five payams, namely Kangapo I, Kangapo II, Lire, Libolo, and Nyepo. Each of these payams falls under the authorities of a payam administrator (PA). However, during the visit to the county, there were no senior administrative officers available to brief us on the general current state of affairs. Nevertheless, the effects of the political skirmishes, which wrecked the county as recently as the year 2000, are still visible. The limited socio-economic activities on the ground define the real situation.

Judicial System. Justice can be realized only through an effective and efficient judicial system, which is characterized by transparency and fairness. However, the judiciary in most SPLM administered areas suffer from professional skill deficiency, and Kajo Keji is no exception. Application of the English Law, which is viewed as universal or international law, is not yet possible, as there is no trained judge available. Therefore, the traditional chiefs/rulers apply the customary law at all the county court levels.

Security Situation. The situation in the county is now quiet. The security stability has been enhanced by the current renewed truce reached between the GOS and SPLA/M in Kenya last October 2003. However, in the mean time, the majority of the population has not yet returned to the county. The people we spoke to during the visit cited the reasons for other residents not returning being because of fear, due to the closeness of the GOS's frontline, which is about 48 kilometers away from Kajo Keji town. In addition, the

October 2002 Torit deserters worsened the situation after they went on rampage and terrorized the population, causing the local people to believe that the area remains insecure.

D1. Economic Activities

The scale of the economic activities in Kajo Keji County is very small, and subsistence farming dominates the area. Livestock, comprising goats and cattle, complements the food crop farming, and some wild game meat is bought and sold in the market. The food crops include sorghum, cassava, beans, maize, vegetables, and groundnuts. Because of the small size of the market – which could in no way support a sustainable microfinance institution – it was decided not to interview individual businesses, so as not to raise their expectations of future credit services. Any produce surplus is exported to the hunger-prone neighboring region in Uganda or sold for local consumption. Despite the rocky soil, most parts of the county are suitable for agriculture.

NGOs and Other Institutional Activities. The international NGOs working in Kajo Keji County include MSF-France, which charges the Mundari Civil Hospital; ARC, which is engaged in primary health care, agriculture, and capacity building; and Maltser-Yei, which also provides outreach health services to the county, particularly to the Bamure IDP camp, focusing on leprosy, TB, and sleeping sickness diseases, as well as other patients. CRS recently closed down its relief operations in the county in March 2003.

Meanwhile, the indigenous organizations, SUHA and HASS, are involved in health and education, respectively. The church, Catholic Diocese of Yei (DOY), particularly the Comboni Brothers, run their own permanent structured boarding school.

D2. Micro Enterprise Sector

Kajo Keji County has good business potential due to its proximity to the Ugandan border towns of Moyo and Adjumani. Currently, many people from the county operate and own a majority of the businesses in these two Ugandan towns. Kajo Keji can also conduct business with the surrounding counties if roads connecting them are made accessible. The out-migration in the county, which was attributed to the previous and repetitive air bombardments by the Government of Sudan targeting people and physical infrastructure, created a negative impact and triggered the relocation of the central Mere Market to Wudu where stalls are of temporary structures. The table below illustrates the physically counted micro-businesses in central Kajo Keji markets.

Table 2.7 Distribution of Businesses in Kajo Keji

Market	Trade	Manufacturing	Service	Total	Remarks
Wudu	43	05	23	71	Newly created central market
Mere	03	00	01	04	Nearly abandoned old central market

Total	46	05	24	75	
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Currency. The proximity of the county to the Ugandan border forms an advantage for the circulation of the Ugandan shilling in the markets. The visiting team was not able to establish evidence on usage of any other currencies, though there is still some barter trade.

Transport. The road between Kajo Keji Town and Moyo, Uganda is short and good. However, although the road is fairly good, the number of vehicles trickling into the county with commercial goods is not significant, since most residents remain in Moyo itself. Roads connecting Kajo Keji and the other two counties, Yei and Juba, are inaccessible either due to landmines or frontline military activities. The conditions of the feeder roads within the county are very bad. The scenario becomes worse in the rainy season, severely hindering movement.

E. Rumbek County Profile

Rumbek, which is located in central South Sudan, lies about 500 metres above sea level. In the early days, it used to be the headquarters of Lakes Province that comprised Tonj, Yirol, and Rumbek districts. The county exchanged hands twice. Rumbek was first liberated by the SPLA in 1986. A year later, in 1987, the GOS retook the town and kept the SPLA out for a decade. In 1997, the SPLA recaptured the county following a series of military successes. The counties which share borders with Rumbek include Yambio in the southwest, Nyal in the north, Yirol in the southeast, Mvolo in the southeast, Maridi in the south, and Tonj in the northwest.

Climate. Rumbek county is vegetated by poor savannah forest comprising mainly of cashew and acacia trees and thorny bushes stretching towards the swamp areas of the Sudd region. The county has unreliable rainfall patterns, creating little opportunity to engage in agriculture. However, people in the county do engage in some agricultural cultivation, mainly sorghum and groundnuts for domestic use.

Population. Rumbek County is part of the areas occupied by one of the largest tribes in the Sudan, the Dinka. The Dinka people are cattle owners and their livelihood depends mainly on livestock. Today, the SRRA Authorities estimate the population of the county at 450,000 inhabitants. But since time immemorial, the county has never witnessed an accurate census due to accessibility and logistical problems considering its remote villages and pastoralist inhabitants often on the move. The population was severely affected following the eruption of the war in 1983, which was characterized by mass displacement, movement, and deaths in this region.

Political and Administrative Setup. In line with the SPLM political and administrative structure, Mr. Paul Macuei is the SPLM County Secretary. He is in charge of the county administration whose head office is in Rumbek town. The county consists of five

payams, namely Rumbek, Akot, Pachong, Maper and Malek. Each payam is headed by a payam administrator.

With the survey team focusing on discussions with the authorities and businesses in Rumbek Payam where the town central market is, it was difficult to assess the political and administrative effectiveness of the whole county in terms of service delivery.

Judiciary. Rumbek is one of the few counties in which the county court is presided over by a professional judge, Mr. Kon John Akot. This highest level of county court applies English Law. Nonetheless, the traditional chiefs and elites run the payam and boma courts by applying Customary Law in handling cases. The structures are not always effective or efficient in the county given that the officials in the judiciary are volunteers. What people reported that matters is who has the influence to push a case through the system.

Security Situation. The presence of the UN/OLS offices in the county has reduced the frequency of air bombings in the area by the GOS. The signing of the truce last October 2002 in Machakos, Kenya, underlines the security situation in Rumbek and the rest of South Sudan. Even should the current truce collapse, it would require time for any ground battle against the GOS for its control due to remote GOS frontlines, though air bombing could happen much more quickly.

The inter-tribal disputes in the county constitute a major security problem. These disputes, which are related to water, cattle rustling, and inter-tribal cultural conflict, are normally in the villages. They lead to violent clashes with consequent destruction of life and property. There is always the fear they may spread into Rumbek town.

Transport . The county is privileged with a fairly good road network. The main road from Juba to Rumbek is 584 kilometres long. Between Rumbek and Wau, the road distance is 240 kilometres. Rumbek County's location is also strategic at the present time: it provides Equatoria with a gateway to the whole of Bahr el Ghazal. Unfortunately, the conditions of the roads between Rumbek and Equatoria are intolerable. Presently, the Rumbek-Maridi road is impassible. Additionally, the only road connecting the county with Uganda via Kotobi and Yei is almost inaccessible during the rainy season, depriving the county from many economic activities. Maridi County has expressed interest to transact business with Rumbek but the transport problem has prohibited them.

Taxation/Licensing. NGOs operating in the county have contributed to the growth of the market, attracting businesses from Equatoria, which have relocated to Rumbek, and are creating a reliable revenue source for the county authorities. Trading licenses are issued annually and fees charged according to the type and size of the business. Luxury and essential goods are charged at 10 percent and 5 percent of the value, respectively. However, to encourage economic trade during certain down periods, the taxes are occasionally reduced to two percent.

Rumbek County generates considerable revenues from the international NGOs local staff. The income tax contains two categories: salary equal to or less than US\$ 50 per month is taxed at 5 percent, and salaries over \$50 per month are taxed at 10 percent.

E1. Economic Activities

The volume of economic activities is quite high in Rumbek County. People are engaged in trading of goods and services, as well as livestock raising. Farming is not a major activity, since most produce is consumed at household level and the unreliable rainfall and poor agricultural conditions do not support agricultural activities very well. The visible symptoms of hunger in the region are a clear indication of the absence of surplus agricultural produce. The main food crops cultivated in the county are sorghum, simsim and groundnuts. Wild cashew plants supplement the main food crops for cash.

NGOs and Other Institutional Activities. There are about 18 NGOs working in Rumbek County. They have created employment opportunities to hundreds of local inhabitants. The presence of these organizations, many with large operations, has attracted many bigger businesses, especially the Bros and Appex companies. Services such as teashops and lodges are performing very well.

The NGOs and other international organizations are involved in both relief and developmental activities. Happily for the local economy, they supply much of the money inflow to the regional markets to purchase the available goods and services available for consumption. There is some economic uneasiness underpinning the presence of so many NGOs in one place. The apparent signs of dependence syndrome in the region, which has hit the population, poses dangerous repercussions in the event of the NGOs' departure, which is possible either if war resumes or if a peace agreement is signed. In either case, some NGOs will likely choose to relocate elsewhere in South Sudan.

E2. Trade Links

The crowning of Rumbek County as the SPLM administrative headquarters has brought in a lot of privileges. With the presence of large number of NGOs, business has also grown along side. The county acts as a bridge between Equatoria and the rest of the Bahr el Ghazal regions. However, to support the domestic livestock market, Rumbek gets cattle from Tonj County and sells to Equatorian markets, for example, Maridi, Yei and Mundri.

Imports. Uganda is the major supplier of both essential and luxury goods to most areas under the control of SPLM/A in Southern Sudan through Kaya Port, including Rumbek County. The goods entering Sudan range from foodstuff to secondhand clothes and electronics.

Exports. Rumbek exports a great deal of cattle to Uganda. The cattle are driven on foot via Kotobi, Yei, and Kaya to the Ugandan markets, a tiresome journey that takes nearly three months to accomplish.

Currencies. Rumbek is one of the counties that uses numerous types of currencies. The old Sudanese pound, US dollar, Kenya shilling and Ugandan shilling are all currencies circulating in the county markets.

The float of various foreign currencies creates a major money conversion problem especially in the absence of a central bank. The Sudanese pound notes are literally falling to pieces, unexchangeable outside the region, and the foreign money supply of smaller notes or coins is in short supply. At times, these factors compounded with other issues, severely stagnate the market.

E3. Micro Enterprise Sector

Evidently, there are a good number of potential consumers in Rumbek. The market has steadily increased in size and competition is growing. Many businesses from Equatoria have moved and settled in, creating a good proportion of those with reasonable working capitals. However, the majority of the businesses remain microenterprises.

The enterprises in the county comprise retailing and wholesaling; services and manufacturing, which are all characterized by cattle auction, fix and mobile traders, lodges, restaurants, teashops, barbers/hairdressers, tailors, grain mills, soap makers, carpenters, construction works, artisans, etc. The table below depicts the enterprises in Rumbek market according to gender and sector.

**Table 2.8
Distribution of Businesses in Rumbek**

Market	Trade	Manufacturing	Service	Total	Percentage
Male	674	236	201	1,111	44.6%
Female	285	444	652	1,381	55.4%
Percentage	38.5%	27.3%	34.2%	2,492	

E4. Existing Microfinance Activities

The following institutions offer some type of microfinance activity in Rumbek:

The Catholic Relief Services (CRS), STAR Program. CRS also set up the microfinance program through the previous USAID-funded STAR program. Kony Rot and Akon Boul are examples of groups supported by the CRS economic rehabilitation program in the county. These groups received STAR grants and loans. The loan repayments charged a 10 percent interest rate, which goes directly to the CDC revolving fund. In Rumbek, nine projects were financed, six loans and three grants, including the CDC, Rumbek bookshop, and BYDA Women Enterprise Development (discussed

below). Some of the projects in the Rumbek portfolio are in Tonj. US\$70,278 was disbursed as loans and US\$79,412 as grants to six projects, payable in 2- 4 years, while the grants to the three projects were US\$ 92,584. The loans ranged from US \$14,000 – \$40,000, with the highest amount being US \$39,232 disbursed to Akuon Buoy Cooperative Traders.

The survey team wasn't able to meet the CDC in Rumbek as their office was closed throughout the survey period and the CDC secretary was out of town attending a wedding. However, CRS was able to provide the following information to us: So far, approximately US\$ 30,000 has been repaid by five projects. The performances of the CDC clients vary:

- The Lakes transport project never took off because the truck broke down before reaching Tonj – the grantees therefore will not repay the loan because they insist they never received the truck. The truck remains at the CRS compound in Rumbek pending repair.
- The lulu project has marketing issues due to expectations of export potential that were raised at the design stage but did not materialize. The group therefore hasn't fully taken advantage of the local market.
- Three projects, the Akuon Buoy Cooperative Shop, Rumbek Grain Traders Association, and Rumbek women grinding mill, have made reasonable efforts to repay. Rumbek Grain Traders Association has repaid more than 70 percent of the loan.

Bahr el Ghazal Youth Development Association (BYDA). BYDA is an indigenous NGO operating in the whole of the region. It runs a loan scheme program originally funded by CRS. The scheme targets women and youth groups. The interest on loans given out is charged at 10 percent, out of which 5 percent is given to the CDC and the other 5 percent retained by BYDA. According to a BYDA official, the loan repayment of phase I of the program has been 100 percent. However, the practice adopted by BYDA to give loans in US dollars but collect the loan repayments in Sudanese pounds resulted in a great exchange rate loss of US\$ 5,000 due to currency fluctuations. This loss incident forced BYDA to get the phase II repayment in Kenyan shillings. Additionally, BYDA has been unable to change the Sudanese pounds collected back into dollars, and is currently sitting on approximately 23 million essentially unusable Sudanese pounds. BYDA is exploring the possibility of extending these pounds back out to borrowers as loans, if borrowers are willing to take a loan in Sudanese pounds.

The achievement of the CRS and BYDA loan program objectives has depended on the success of the recipients' businesses. There have been some problems surrounding the enterprises, which are attributed to lack of business skills and insufficient inputs, especially the maintenance materials coming from Uganda. In 2002, BYDA had to scale the project down when donor funding stopped.

Other NGOs and Institutions. The organizations involved in other areas of operations in the county are as follows:

Table 2.9
Organizations operating in Rumbek

	Name of Organization	Type of programs
1	WHO	Health
2	Unicef	Water, education, health, etc.
3	WFP	Relief distribution
4	Oxfam	Education
6	Diakonie	Primary health care
7	Malteser	Health
8	ACROSS	Church support, education, health, food security and water
9	IRC	Health, etc.
10	SCF UK	Education and health
11	BYDA	Capacity building, civic education, conflict management
12	ANV	Agriculture
13	Catholic Diocese of Rumbek	Health, education and capacity building
14	Tear Fund	Food security, water & sanitation, etc.
15	Carter Center	Guinea worms eradication
16	Christian Aid	Partner Support

F. Tonj County Profile

Located in the middle of Bahr el Ghazal region, the liberation of Tonj town was one of the series of SPLA military victories of 1997, though Thiet, one of the payams, had been liberated earlier in 1984. The county lies 500 metres above sea level and it shares borders with counties as Cueibet and Rumbek in the south, Wau in the northwest, Tombura in the southwest, Gogriell in the north, Nyal in the east, Yambio in the south.

Climate. The climate of Tonj County is similar to that of Rumbek. The savannah forest is dominated by mahogany, cashew, and neem trees, as well as thorny bushes that spread all over the region. The annual rainfall begins in May and ends in November, allowing the people to cultivate sorghum, groundnuts and simsim. Cashew, the wild cash crop, also copes very well. Encircled by stretches of rivers, according to the local authorities, unsafe drinking water has caused health problems for many people.

Population. The tribes living in the county comprise the Dinka, Bongo, and Jur Lou. Most of these tribes, especially the Dinka, raise cattle. The local authorities estimate the population at 2.5 million inhabitants. However, the issue of population remains

controversial, since there hasn't been any national census conducted in South Sudan for the last twenty years. The inaccuracy in population figures is a uniform phenomenon in the war-affected areas of the Sudan, and the tendency has been to inflate population figures in order to justify greater amounts of food aid from the international donors. Even previously, the governments in Khartoum could not properly count everybody during the census in South Sudan citing logistical problems. The scenario has not changed, since the area was captured by the SPLA. Instead, it is highly likely that local authorities have continued to exaggerate the population figures for many places.

Political and Administrative Setup. Tonj County follows the SPLM standard political and administrative organization where there are three levels: county, payam and boma in descending form. Mr. Kuol Deng Kuol is the SPLM County Secretary (CS) and he is in charge of the county administration. The payam administrator runs the payam and the boma administrator runs the boma, respectively.

Generally, the military plays a significant role in the running of the county's affairs. It influences decisions at the highest levels. In turn, the military commanders and sub-commanders answer directly to the military hierarchy of command. Unused to civil administration, the neglect of key issues such as transparency and accountability in the counties has resulted in people's lack of trust and understanding of many new policies, including taxation.

Judiciary. Tonj County applies a similar judicial structure as elsewhere in the New Sudan. The structure presents three county levels of courts: county court, which looks at criminal and complex cases such as murder, civil disobedience, etc. This level of court mainly practices English Law and is managed by a professional judge. The chiefs and sub-chiefs handle the payam and boma/village courts, respectively.

There are varied views over the effectiveness and efficiency of the Tonj courts. Those presiding over the courts talk of handling cases fairly, a statement refuted by the ordinary people who perceive the courts as corrupt. When asked, many SPLM officials related to us that they felt it is too early to question the credibility of the current structures.

Security Situation. Tonj county shares borders with Wau and Gogrial Counties, both of which are in GOS hands. Its proximity to the war frontlines has subjected it to a lot of disturbances by the GOS. In addition, there is a problem resulting from inter-tribal clashes, though some local inhabitants view these as normal. Disputes over grazing land, water, culture, and cattle rustling (especially between the Nuer and Dinka people) have exacerbated the security situation.

Recently, some NGOs have been forced to abandon their activities in the county, citing insecurity. The state of insecurity in the county had already scared away most of the NGOs operating here in previous years. Improving the security situation in the county is the responsibility of the security agencies and the courts as law enforcing bodies. Deficiency in one constitutes dreadful effects on performance of others, which also bear consequences on businesses.

Transport. Tonj County is blessed with numerous borders, which can be viewed as an asset in terms of trade and business. Unfortunately, however, besides Rumbek and Wau, the county does not have short and direct routes connecting it with its other neighboring counties. The poor road network is exacerbated by bad road conditions, hindering business transactions with the county. Currently, the county depends on the road linking it with Rumbek because Wau is under the control of GOS.

The three airstrips in the county have been basically operating for relief purposes. There is not any cited incident where the airstrips commercially serve the county, except in cases where international organizations and NGOs bring specific goods in on chartered and OLS flights.

Taxation/Licensing. While the Rumbek-managed NGOs employ a large number of local employees which provides a sizable income tax base for the county, it is not enough revenue for all of the counties needs. Therefore, without alternative sources of revenue besides taxes on cattle exports, the county authorities are compelled to see the businesses as potential source for the county. Trading licenses are issued annually and fees charged according to the type and size of the business. Goods entering the county from Uganda are taxed at a rate of 5-10 percent of the value of the goods.

F1. Economic Activities

The county is gifted with huge herds of livestock, and the majority of the people are pastoralists who heavily depend on their animals for livelihood. The livestock, which comprises cattle, goats, sheep, and donkeys, are both for commercial, prestige and cultural purposes. A good proportion of the population is engaged in subsistence agriculture, as well. Sorghum, groundnuts, and simsim are a few examples of the food crops grown in the region. Meat and diary products provide the main sources of household income for many families.

Although the numerous rivers do not provide safe drinking water to some people in the area, they offer good commercial fishing grounds for Tonj county. Fish is sold to neighboring Rumbek and some Equatoria markets.

NGOs and Other Institutional Activities. The majority of the organizations that render services in the county have their main bases in Rumbek. Previously, some NGOs pulled out when security became a concern. The following indigenous NGOs have activities in Tonj:

SEDA, an indigenous organization that has been supported by CEAS, is based in the county. It is involved in the education sector, providing teacher training and school construction.

BYDA carries out activities in the area. It tries to empower the women and youth groups through small loan schemes. But as an indigenous organization, BYDA has to rely and

use the grants it receives from CRS for promoting its activities especially the income-generating program.

Additionally, the following organizations are involved in relief and development activities in Tonj County, based in Rumbek:

Table 2.10
Organizations operating in Tonj County

	Name of Organization	Type of Programs	Location
1	VSF – Belgium	Vet services	Operating from Rumbek
2	MSF	Health	-do-
3	Unicef	Education	-do-
4	WVI	Education and agriculture	-do-
5	CRS	Economic rehabilitation	-do-
6	SEDA/CEAS	Education (Teachers training & school construction)	Based in Tonj County
7	FAO	Agric & vet services (small scale)	Operating from Rumbek
8	Don Bosco (Catholic Church)	Skill training institute	Based in Tonj

F2. Trade Links

The business supply route connecting Rumbek and Wau passes through Tonj town. Besides its internal markets, the Tonj County has access to goods coming from Wau and northern Bahr el Ghazal – GOS-controlled areas – through non-official business channels. In the dry season, November through May, the county also engages in business with its neighboring counties and Uganda.

Imports. Fabrics and essential commodities in the county markets come from Uganda. Even if there are regular flights from Loki, Kenya to Tonj County, there is not much evidence suggesting the airlifting of commercial goods to the area, except some special order shipments to NGOs.

Exports. The regional cattle dealers drive animals all the way to Uganda. Markets in Uganda pay better prices for the cattle. However, everyone raising cattle does not practice the exports business because the road is long and requires a large number of cattle and other resources to pay for the herders if they are hired. There are substantial tax payments levied on the cattle on both sides of the borders, Sudan and Uganda. Also, the export of cattle is conducted in the dry season during the year. However, the activity is normally postponed from the middle to the end of the year when the rain intensifies and grasses and bushes become overgrown.

Currencies. The currencies used in the county include the Sudanese dinar, US dollar, and Kenya shilling. The predominant currency is the dinar. Similar to most counties, Tonj copes with limited money circulation within its local economy. Without a central bank and its own currency, the county is vulnerable to external currency fluctuations.

F3. Micro Enterprise Sector

Although the population in Tonj County looks higher than that of any other counties in the SPLM-administered areas, it possesses smaller dormant markets as compared to Yei and Rumbek. The micro businesses available in Thiet Market include lodges, restaurants, traditional breweries, teashops, retail shops, crafting, grain mills, etc. The following table illustrates the number of businesses physically counted in Thiet Market:

Table 2.11
Distribution of Businesses in Thiet

Sex	Trade	Manufacturing	Service	Total	Percentage
Male	177	93	129	399	55%
Female	46	129	152	327	45%
Total	223	222	281	726	
Percentage	30.7%	30.6%	38.7%	1,452	

G. Kapoeta County Profile

Many parts of Kapoeta County, including Kapoeta town, experienced military battles between the SPLA and GOS before they were totally liberated. Kapoeta town once fell into the hands of the SPLM/A, but the GOS retook it in 1994. Then last year in 2002, the SPLA recaptured the place and took control again. However, the effects of the war are still visible. Most building structures were reduced to rubble, and many areas surrounding the town are still littered with mines. Since the SPLA re-captured Kapoeta, the GOS has continued pounding the area with bombs until the date of the signing of the truce between the two sides last October 2002. The war has severely affected the physical, social, economical and institutional infrastructure of the county.

Other counties such as Pibor in the north and Bor in the northwest share un-demarcated borders with Kapoeta due to the absence of inhabitants in between. Meanwhile, in the west, south, and southeast lie Budi County and the Kenyan border, respectively.

Climate. Kapoeta County lies about 1000-1500 metres above sea level. It is surrounded by mountain ranges, especially the southern and western parts. From Narus to Kapoeta town stretches poor savannah vegetation with thorny bushes and sandy soil. The region has erratic rainfall patterns. But though rocky, some areas in the county have good agricultural potential.

Population. The Kapoeta County authorities recently attempted to conduct a census in the area, but failed. The SRRA County Secretary estimates the population at 500,000 inhabitants. However, these figures were derived from the National Census of 1988, nearly 15 years ago. According to the SRRA data officer, the current county population estimate based on payams' records stands at 679,980, including IDPs. It is very difficult

to justify such high population figures because there was no sign of such a large population in the places the AEFPP survey team visited.

The Toposa ethnic group and communities mainly inhabit the county. There are a few members from the Didinga community living there, as well. Still other internally-displaced people from other Sudanese ethnic groups reside there now to escape the war in their home areas.

The Political and Administrative Setup. To date, the process of setting up the political and administrative structures in the county has not gone very well due to continued security upheavals. Kapoeta town was only recaptured by the SPLA/M last year, and Narus town, which was created by the SPLM/A, did not yet have the supportive infrastructure to adequately handle the county functions. Until now, all the county offices have been maintained in Narus, though at present attempts are underway to move them back to Kapoeta town. The SPLM County Secretary, a political appointee, has already moved to Kapoeta.

The county has eight payams, namely: Kapoeta, Mogos, Rinoto, Lopitt, Karkomoge, Narus, Kaito and Nara. An administrator heads each payam and under the payam are the bomas, the lowest administrative units. Accessibility to most of these administrative areas is not certain, as the road network in the region is poor, and mines are still a threat.

Judiciary. Although the county represents three levels of courts where the English Law applies at the county level, a lack of qualified judges makes the court difficult to be effective. Currently, the Toposa paramount chief in Narus, Mr Louis, presides over the payam court and he applies the customary law. However, with the county still trying to settle its offices in Kapoeta town, it is not easy to tell whether there is a qualified judge to preside over the county court or not. The Boma/Village Court is handled by sub-chiefs and applies Customary Law. The present judicial status of the county raises a lot of doubts as to the current effectiveness of the local judicial system, especially in its ability to enforce law and order.

Security Situation. The air bombings by GOS warplanes, especially on Kapoeta town, stopped in October 2002 following the truce signed between the SPLM/A and GOS. As such, the fear of an outbreak of ground fighting between the government army and the SPLA has died down. But in spite of these arrangements, the security situation in the county remains volatile, particularly with the rampant cattle rustling activities in the area. Continuous cross-border raids to and from Kenya, and killings involving both the Turkana community of Kenya and the Toposa of Sudan, exacerbate the situation. Today, entry into the county from Kenya requires an armed police escort on the Kenyan side of the border, covering the route between Nadafal, the Sudanese border post, and Lokichogio, Kenya. Most significantly, the insecurity in the county has scared away virtually all of the international NGOs, which has had a major negative effect on the scale and scope of the current economic activities.

Transport. The state of the main road from Nadafal to Kapoeta via Narus is in fairly good shape and has been de-mined at least 3 metres wide on either side. The transport and market access hurdle is the poor rural road network especially for those payams which are located far away from the main road. Commercial vehicles are very few on the roads. Insecurity, fear of committing any kind of investment, bad road conditions in many areas, and dormant markets in the county continue to mean little in the way of economic activities in the area.

Taxation/Licensing. In Narus, the survey team was not able to meet the finance officers in the County Taxation Department in order to find out the number of licensed businesses, as he was not in town. However, in interviews with other authorities, the main problem faced by the businesses is an absence of any wholesale shops coupled with high taxes from the Kenyan border.

G1. Economic Activities

The economy of Kapoeta County depends heavily on livestock. The Toposa people are more of a pastoral background than agricultural. They keep goats, cattle, sheep, and some chickens. Agriculture is also practised in the area, but the unfavourable rainfall patterns are discouraging. Nearly all the rivers in the county are seasonal, hampering efforts to engage in normal rain-fed farming. Additionally, the riverbeds are prone to severe flooding. For example, during times of heavy rain, the town of Narus is virtually cut in two as the riverbed fills and sometimes floods. Such flooding also splits the small market area in half, with part operating on each side of the riverbed.

Crops such as sorghum, groundnuts, maize, okra, and tobacco are grown and most of the yields are for subsistence. The county is privileged with abundant gold reserves that are largely untapped. The indigenous bush forest in the area is used for firewood, charcoal, and building material. Grass used for housing and roofing material does not grow well in the area, and is imported areas farther west, such as Chukudum.

There are only two indigenous non-government organisations: Sudan Medical Care (SMC) and Catholic Diocese of Torit (DOT), rendering services in Narus. These organisations are not powerful enough to improve economic and living conditions in the area, or to reduce unemployment, and the idle youth often become involved in cattle rustling.

The county suffers from a limited revenue base. Currently, the only real income-generating base is livestock. Again, given the local cultural values embedded in the people, the animals are not sold but mainly used for milk, prestige, and other social activities including marriage. The revenue collected from traders at the Nadafal border post does not enter the county treasury. Kapoeta, like Budi County, rears cattle, goats, sheep, donkeys and chickens. Although the county is rich with livestock, meat is actually rare in some of its markets.

NGOs and Other Institutional Activities. There are no international NGOs present in Kapoeta County, and unemployment in the area is high. People we spoke to complained that the idle youth are forced to engage in cattle rustling as way for survival. A CDC is not yet in existent in the county. The indigenous organisations in the county are:

- The Diocese of Torit (DoT) engaged in education, health, capacity-building and food security;
- Sudan Medical Care, engaged in health and construction of feeder roads;
- The National Sudan Council of Churches (NSCC) engaged in capacity building (women and youth); and
- The Toposa Development Association (TDA), a Sudanese indigenous organization engaged in Civic Education (Awareness Raising).

Additionally, the World Food Program (WFP) is distributing relief food for the people in the county, but operates out of Lokichogio with only a small presence in the county.

G2. Trade Links

Before the war, the county used to get commodities from Khartoum via Juba. The war stopped all supplies from the GOS-controlled areas and the county was forced to make trade links with Kenya via Lokichogio.

Import and Export. All the essential commodities and other goods entering the county come from Lokichogio, Kenya. The county exports livestock and some tobacco to Kenya, although tobacco is not grown much in the county and is simply transiting from other areas. Some of the cattle exported to Kenya come from the Upper Nile region, mainly from Bor and Pibor counties. While people in the area talked about the potential of greater gold exports to Kenya, the business still remains underground and unregulated.

Currencies. With no currency of its own, South Sudan uses different foreign currencies. Unlike Western Equatoria, businesses in Kapoeta County primarily use the Kenyan shilling, as well as the Sudanese dinar. According to some sources in the market, most Toposa people do not accept currencies other than the Sudanese dinar. Barter transactions in the county are very common, for example, goat for grain. Though the Ugandan shilling has also found its way to these markets, it is in small circulation due to rejection and mistrust by the local population. The limited money supply makes business transactions difficult in the county.

G3. Microenterprise Sector

The markets in the county are very small, and categorising them by our team was tricky. There are no big shops or wholesalers in any of the towns, and the few stalls available are of temporary structures, with other vendors within the open-air markets. It is difficult to quantify the sizes of the working capital the businesses possess, as they operate sporadically. Based on our informal interviewing, the minimum was around US\$3 and the maximum US\$ 300.

Narus presents the biggest market in the Kapoeta County, with the market physically divided into two parts. As mentioned above, the seasonal Narus River has forced the division. The businesses visited included: a lodge, restaurants, grinding mill, and a few small retail shops and tailors with sewing machines. Most of the entrepreneurs operate in the open air. The commodities sold comprise new and secondhand clothes and some basic consumable goods. The table below shows the types and number of businesses physically counted in Kapoeta town and Narus markets:

Table 2.12
Distribution of Businesses in Eastern Equatorial

Town	Trade	Manufacturing	Services	Total	Remarks
Kapoeta	5	-	-	5	Businesses in the open market not able to be reliably counted
Narus	87	6	23	116	No survey questionnaires were applied due to small business sizes, and to avoid setting expectations

H. Budi County Profile

Budi County used to be part of Kapoeta County until the year 2000, when it was declared an independent county with its head office in Chukudum. The county is one of the areas captured by SPLM/A from the GOS in 1986, and since then it has not changed hands. Located in the eastern bank of Eastern Equatoria, the county shares borders with Kapoeta County in the northeast, Bor County to the north, Kenya to the southeast, Uganda in the south, and Torit County in the west.

Climate. A range of mountains surrounds Chukudum town. The area around the town lies on high lands at 1,684 meters above sea level with annual rainfall that begins around March and ends around November. The weather is cool throughout the year with rich vegetation, which is well-suited for agriculture. The land is very fertile especially on the top of the mountains.

Population. The demographic statistics provided by the county authorities in most SPLM administered areas lack some degree of accuracy since no county or region has ever conducted a real census, and Budi County also faces this problem. However, the SRRA office estimated the county population at 250,000 inhabitants. The county is home to the Buya, who are mostly pastoralist; and the Didinga, who are agro-pastoralist. Following the relative peace behind the SPLA lines, the county has provided sanctuary to many IDPs mainly from Bor County. The Natinga IDP camp, which hosts about 7,500 people, is fenced by mountain ranges far from the targets of GOS bomber planes.

Political and Administrative Setup. Budi County has all the South Sudan political and administrative structures. The head offices of the county's departments are based in

Chukudum. The structure has three levels: county, payam and boma. But the payams constitute the county and the bomas constitute the payams. Presently the county has seven payams, namely Lotukei, Komiri, Lowudo, Lauro, Nagishot, Ngarich and Kimatong. The County Secretary, Mr Emilio Loki, expressed confidence in the county's state of affairs, especially in recent months as security has been maintained relatively well.

Judicial System. At this time, the county has no qualified judge. The courts are presided over by traditional chiefs, and only the customary law is applied in settling disputes. According to the County Secretary, the chiefs have been empowered by the regional office to preside over cases. However, in practice, without credible county courts, inter-tribal disputes become difficult to handle particularly if the youth are involved in crimes such as cattle rustling. Presently, the unemployed youth are the main reason for insecurity in the county, not any fighting between the SPLA and the GoS, nor the problems encountered farther west due to the Lord's Resistance Army (LRA) rebels out of Uganda.

Security Situation. The crisis of 1999 involving the SPLA/M soldiers and the local community created a great deal of internal displacement and loss of lives. It forced international NGOs such as Catholic Relief Services (CRS) and ADRA to pull out of the area. Since 1999, the county has experienced a lot of internal insecurity. The success of the NSCC-mediated peace initiative coupled by the recapturing of Kapoeta town by the SPLA has eased the problem of insecurity in Budi County, though the GOS Antinov planes continued pounding until the recent cessation of hostilities in October 2002.

Since then, peace has started to be experienced and many people have begun returning to the county, as witnessed by the ongoing construction of new traditional houses and compounds in the area. The inter-agency assessment conducted last September 2002 resulted in CRS expressing interest in resuming activities in the county. However, the county still has a lot of worries over the huge number of landmines lying undiscovered throughout the countryside.

Transport. Budi County has about a 256 *kilometers* stretch of road that connects it to the neighboring counties, as well as to the Kenya and Uganda borders. The road is fairly good, particularly in the dry season. But there are a lot of potholes and most bridges are either missing or in dangerous shape rendering some points along the roads impassable during the rainy season.

H1. Economic Activities

The Didinga people are traditionally agro-pastoralists, combining livestock rearing with farming. However, like their neighbors, the Buya and Toposa, the livestock that is raised has limited commercial purpose. Even in Chukudum town, there was no meat sold in the market, and the agricultural produce is mainly grown simply for subsistence. The main crops cultivated on the top of mountains are sorghum, maize, rice, wheat, potatoes, simsim and tobacco. Both the Buya and Didinga own livestock such as cattle, sheep, goats and donkeys.

NGOs. Norwegian People's Aid (NPA) is the only international NGO in the county. They operate a hospital in Chukudum, employing around 100 employees. The Diocese of Torit (DOT) is also in the county, and supports primary education. Additionally, in the Natinga IDP camp, WFP sometimes provides relief services. In early March 2003, a member of CRS staff visited the county to begin setting up a County Development Committee (CDC).

The County is endowed with natural resources including gold dust and indigenous forest (bambos, miraa, and grasses). Therefore, if the present tranquility continues, the county has great potential to tap these resources in order to revive its economy. NGOs and donor agencies can be of great assistance in breathing new life into the local economies.

H2. Trade Links

Besides its connections to the neighboring counties, the county is also privileged by its proximity to Kabon, Uganda, and Lokichoggio, Kenya.

Imports and Exports. Since the county's isolation from the GOS influence, essential commodities and other fabrics come from Uganda and Kenya. In return, the county exports raw tobacco, gold, and *miraa* (a root chewed as a stimulant) to Uganda and Kenya. The neighboring counties also import grass, building poles, bubbles and *miraa* from Budu County. Though Budi County indicated a trade link with Uganda, it is difficult to distinguish the Ugandan fabrics from the Kenyan ones in the county's few markets since these fabrics do not originate from either of the two neighbouring countries, but are manufactured elsewhere.

Currencies. The currencies used in the county are the Kenyan and Ugandan shilling, as well as the Sudanese Dinar. The Taposá people prefer the Dinar over other currencies. When we purchased some milk during our visit in Natinga, the limited money circulation in the market resulted into difficulty in making change, and the seller would not accept Ugandan shillings. Bartering is still common, as well, especially livestock for grain.

H3. Microenterprise Sector

The market in Chukudum was very small, and because it is the dry season, it was virtually empty since there is little agricultural surplus to sell at this time. In fact, the open air market does not yet operate every day or year round. Therefore, the survey team did not count the sellers in the open market, as they were too few to be statistically significant or relevant.

According to the SRRA Data Officer and a count by the survey team, in Chukudum town, there are 15 petty traders registered with trading licenses. Land rental fees are collected from them on a monthly basis. In Natinga, an IDP camp, there were only 15 small temporary stalls with very few customers, and approximately 20 Taposá women under a tree, all selling only one product: milk.

I. Pajar County Profile: Ganyiel Town

Panjar County lies in the lowlands of the Upper Nile Region about 500 metres above sea level. It borders Yirol County to the south, Leer County to the north, Rumbek County to the west, Tonj County to the northwest, and Ayod County to the east.

Panjar County, and specifically Ganyiel town, has long remained free from GOS control since the SPLM/A declared war in 1983. However, in 1991 the SPLM/A lost the area to the SPDF, a breakaway group comprised mainly of the Nuer tribe and headed by Riak Machar. More recently, following the SPDF re-integration into the main SPLM/A in January 2002, the whole county once more became part of the SPLM-administered area.

Climate. Ganyiel is engulfed by a chain of marshes. The climate is humid with rising temperatures, especially in the absence of rains. The rainfall patterns in the region are not reliable, although the annual rainy season begins in May and ends by October.

Lowland vegetation covers the payam, with elephant grasses and acacia trees, dominating. Other desert-like thorny bushes exist as well. Trees, such as neem, cope well in the lowlands. The International Red Cross (IRC) compound garden, which has mango, orange, and pawpaw plants, indicates the suitability of the environment to other useful flora and fauna. Crops such as sorghum, maize, okra, groundnuts and tobacco are grown in the county.

Population. It is difficult to imagine the actual borders among the Payams given the presence of the marshes. This means that a census can only be carried out successfully during the dry season when most swamps have shrunk, thus creating passages between the inhabited areas. The estimate figure of the county population given by the SRRC, was 110,000 inhabitants.

The people that live in Ganyiel are from the Nyong clan of the Nuer tribe. They mainly speak their mother tongue, the Nuer language. However, some of them speak good Arabic, and under the SPLM system, English has been the only official language in the area.

The Political and Administrative Setup. Panjar County recently adopted the SPLM systems following the SPLM-SPDF merger about one and half years ago, and Panjar town hosts the head offices of the county. Mr. Joseph Nhial Ruac has been appointed as the commissioner. In his absence, Mr. Peter Gatkoi, who is at the same time the county chief executive director, acts as commissioner. There are payam administrators managing the payam affairs, and the county has been divided into nine payams: Nyal, Panjar, Pashar, Dakop, Ganyiel, Paryiel, Laydit, Pashienjok and Jiech.

Judicial System. The survey team did not reach Panjar town to assess the newly adopted SPLM systems, but the chief executive director, Mr. Peter Gatkoi, who was by then in

Ganyiel, reiterated that he himself is a judicial officer. According to him, major legal cases are referred to the regional court in Leer County.

There are no signs of a formal legal structures in Ganyiel, and there was no evidence of any attempt from the local authorities to improve the existing traditional judicial system.

Security Situation. Ganyiel is one of the few areas that has enjoyed tranquility since 1983. Disturbance used to be reported along the borders with Yirol, Rumbek, and Tonj which were ethnic-related disputes, mainly dealing with issues of cattle rustling. Such disputes have been minimized after the concerned tribes have made certain agreements and reached a mutual understanding.

The major problem that affects businesses, particularly in Ganyiel and Panjar County, is petty banditry. The opportunities for bandits have been created by the absence of roads connecting the county with the outside world. Businessmen must walk through long and isolated paths that can take two to four days to accomplish on a single trip. Along the way, they become exposed to all sorts of risks. This situation could be improved if roads were constructed and vehicle transportation was used instead.

II. Economic Activities

Most of the people in the county are either pastoralists or farmers. There are a small number of fisherfolk, as well. The food crops cultivated in the county are mostly for subsistence use. The area is still not self sufficient in food production and receives regular food aid from World Food Programme (WFP). Tobacco is produced in modest quantities for domestic consumption and for sale in the neighboring counties.

The county's wealth is maintained in livestock and poultry, with people earning their livelihood on cattle. Ganyiel market is flooded with fresh milk all day long. Significantly, animal auction provides a major source of income for the households, businesses and authorities. People also take and sell their animals to the neighboring counties of Yirol, Rumbek, and Tonj. In spite of the fact that people have no means of transport, livestock has the potential for fetching a good amount of money from the outside markets.

As witnessed by the survey team, the major problem that impedes market development in the regions of Upper Nile is the strong cultural belief of accumulating livestock wealth for prestige and marriage. This explains the lack of meat in the markets because people only sell their animals when they are in a crisis.

The few NGOs working in Ganyiel are the main service providers. The NGOs employ some people locally. These NGO employees spend their income in the market and they also pay taxes to the authorities. The table below shows the NGOs in Ganyiel and the programs they undertake:

Organization	Type of Programs	No. of employees
IRC	Health	68

CARE	Food Security	7
VSF-Swiss	Vet services	14

Other services enjoyed by Ganyiel include some educational programmes led by UNICEF and relief efforts conducted by WFP from Nyal.

Transport. The transport system is the major cause of poor market performance in the county. Transport is worse in Ganyiel than other areas surveyed because the area is not accessible during the rainy season. There are no roads connecting Ganyiel with any of its neighbors and no access to the area for any commercial vehicles. Additionally, the small footpaths used for business during the dry season are impassible in the rainy season. Even during the dry season, using such footpaths are time consuming and risky. A single trip between Ganyiel and Rumkek requires 4 days to accomplish – Ganyiel to Yiol is 2 days and Ganyiel to Nyal is another 1 day. There is no access to Leer due to swamps.

Taxation/Licensing. The Ganyiel local authorities are anxious to raise revenues for their activities. Unfortunately, very little tax revenue is forthcoming under the current conditions. Businesses are very few in the market. Our attempt to obtain actual correct number of licensed businesses was futile; instead, the authorities gave the figure as 268 for Ganyiel alone, although the team only counted 40 businesses operating in the market.

Although the inflow of goods is not reliably measurable in quantity, collection of fees and taxes remains a priority for the authorities. Taxes collected on goods entering the county ranged from five to ten percent of the market value. Goods leaving the county, especially fish, are taxed after sale. According to the local people, sometimes the town tax collectors follow the fishermen up to the riverbanks to make sure that whoever catches fish does not escape taxes. Licenses are issued on a monthly basis with values ranging from 1,500 to 3,000 Sudanese Dinars.

I2. Trade Links

Because Ganyiel is surrounded by swamps and insecurity has been a problem in some of the neighboring areas, trade links are negligible. When interviewed, the petty traders that operate in Ganyiel said they maintain minimum links with their counterparts in Rumbek, Yiol, Tonj, Adok, and Leer for their survival.

Ganyiel sells cattle, fish, and local tobacco to the neighboring counties. At times, after receiving the money from the sale of the cattle and fish, some entrepreneurs proceed to Uganda to import more fabrics to supplement those acquired from the surrounding market.

Currency. Ganyial uses the Sudanese Dinar and the Kenyan Shilling. Although both currencies are in full use, the smaller units of 1, 5, 10 and 20 notes are non-existent and the 50, 100 and 200 notes are also not very common. As a result, in many cases, business transactions come to a stand still until change can be found. During the visit, the Sudanese Dinar traded against the foreign currencies as follows:

- US\$1 = 210 Dinars
- Ksh1 = 3 Dinars

I3. Microenterprise Sector

The market in Ganyiel consists of temporary grass-thatched ‘tukul’ structures. These tukuls have an extended cap-shaped veranda that provides shade for both the shopkeeper and his few retail items.

Businesses in Ganyiel are male dominated and this included the service sector, a sector where more women are involved in some other areas of South Sudan. The manufacturing sector is virtually non-existent, though there is a grinding mill donated to women by WFP and some local brewing activities.

The types of businesses in Ganyiel include retail (second hand and new clothes, basic commodities, low quality plastic shoes, beads, dry batteries, etc.), service (tailoring, tea shops and restaurants) and manufacturing (grinding mill and local brewery).

The table below illustrates the number of businesses physically counted as distributed by gender and sector in Ganyiel:

Sex	Trade	Service	Manufacturing	Total	Percent
Female	1	5	2	8	20%
Male	22	10	0	32	80%
Total	23	15	2	40	

J. North Bor County Profile: Panyagor town

Panyagor (recently renamed Mabior), the current headquarter of North Bor County, was one of the first areas that fell into the hands of the SPLM/A in 1983. The 1991 split within the Movement ranks saw the area break away from the SPLM/A to the SPDF. Later in 1993, the SPLM/A took over the control of the town again as the SPLM/A and SPDF merged. Counties that border North Bor County include Leer, Ayod, South Bor, Pibor, Yirol, Akobo, Wunror, and Waat.

Climate. Bor lies in the Sudd region along the River Nile about 500 metres above sea level with a flat landscape. Surrounded by swamps and water, it is one of the flood-prone areas in the region. The savannah vegetation is poor, and characterized by scattered thorny trees and bushes that stretch all over the area.

The annual rainfall patterns remain unpredictable. Under normal circumstances, rainy season is from April until November. However, recent trends indicate a big change in the rainfall patterns. By the time the survey team visited Panyagor in May, the rains hadn't

come as compared to other payams within North Bor County which had received some rainfall. In general, the county has agriculture potential, but suffers from many vulnerabilities.

Population. The SRRC Secretary released a round figure of 134,000 inhabitants in North Bor County. The county commissioner took the team through an interesting process of deriving the county population figure: he indicated that to qualify as a chief, one must have 300 subjects, and presently, the county has 161 chiefs. Therefore, multiplying the number of chiefs with that of their subjects, equates to an ambitious figure of 483,000 inhabitants, which is far more than the population estimate of SRRC. The commissioner maintains that those present in the county make up 143,000 inhabitants, while the rest are to be found outside the county.

The Dinka tribal community is the only original community living in the county. The people are pastoralists and their livelihood depends on livestock and poultry. Given that the people are in close proximity to their Nuer neighbors, both the Dinka and Nuer languages are spoken in the county.

Political and Administrative Setup. The SPLM political and administrative structures are all in place in the county. Panyagor, which the UN/OLS has renamed Mabior, is the headquarters hosting the various institutions of government. The town used to be the center for the controversial Jonglei Water Project. Although the project facilities have been destroyed by the war, at least the authorities are able to benefit from the project leftovers, for example, there are accommodations for offices and officials.

Mr. Michael Majok is the county secretary, a young man with some development concepts. In his absence, the chief executive director deputizes.

The county is composed of payams which are managed by payam administrators. Each payam is divided into zonal administrative units known as bomas/village. Currently, North Bor County has seven payams: Panyang, Dukpadiet, Dukpawel, Lieth, Kongor, Nyok, and Jonglei. Generally, it is difficult to assess the effectiveness of the authorities in the short survey timeframe. However, the SRRC and the NGOs seem to collaborating well.

Judicial System. The SPLM courts' system has been set up in Panyagor. All the courts at county, payam, and boma levels exist. Due to lack of trained legal professionals in the county, the authorities decided to run the courts through committee systems. According to the commissioner, a three-man committee of competent traditional chiefs is in charge of the County Court. This committee applies Customary Law in handling cases or disputes. The same style encompasses the payam and boma courts.

The team was not able to speak to any independent individuals/groups to find out their reactions to the judicial system in the area since the visit also coincided with the SPLM/A May 16 anniversary.

Security Situation. The effects of the previous inter-factional fights between the SPLA and SPDF on one hand, and the SPLA and GOS southern militias on the other hand, still remain visible in Panyagor. However, the present truce with the GOS and the recent SPLA/M-SPDF merger gave the authorities in Panyagor a breath of fresh air especially in regard to security in the region. Businesses started to operate recently, and at least cross county border activities are now possible.

Although security in most parts of the region is currently stable, the present activities of cattle theft and footpath banditry still create fear among many businesses that depend on goods transported on foot. Such problems could be lessened if there were good roads and trucks.

Transport. North Bor County is an island on its own. It is not connected by any road to its neighbors. Most of the routes are footpaths and they are seasonal, since swamps surround the county. In the month of March every year, there is a road through the desert from Lokichogio, but it is full of robbers and cattle rustlers. The road to Bahr el Ghazal and Equatoria is only accessible by vehicle after Aliab Port.

Air transport services are available in Lokichogio, but they are too expensive for commercial ferries. The survey team learned that the planes charge US\$3 per kilogram of cargo which makes it unfeasible for transporting commercial goods.

Taxation/Licensing. The presence of the cattle and goat auction in Panyagor is good news to the local authorities because it provides them with their main source of revenue. Animals such as cattle, goats and sheep are instantly taxed at 10 percent of the sale value.

Licenses for retail, butcher, restaurant, and tea vendors are issued at a uniform charge of 3,000 Dinars. Fees for those without licenses are collected on a monthly basis at rates ranging from 500 to 600 Dinars.

According to the commissioner, all imported goods are not taxed on arrival to encourage the market. However, the traders complained of being taxed in Kaya when entering from Uganda and Yirol. In Yirol, taxation is done on the excuse that the goods do not originate from the county.

J1. Economic Activities

Generally, the people in Bor are pastoralists. Accumulation of wealth in the form of cattle for prestige and marriage is a common practice among the community. Some cattle trade occurs, as people sell their livestock and poultry to solve their own problems. Bulls are the most common animals sold in the market. Cow milk is also sold in the market.

The livestock auction market has gained popularity after traders from the neighboring Nuer counties of Ayod and Waat joined in. The Nuer traders bring cattle and sometimes goats to sell in North Bor County. However, they don't take with them anything from the county on their way back home except money in Sudanese Dinars.

Farming is not very popular in the county. The agriculture produce, which is mainly sorghum, is consumed at the household level and rarely finds its way into the market. Okra, pumpkin, and a few other vegetables are also grown for domestic consumption.

NGO and Other Institutional Activities. The employment of the local population by both indigenous and international NGOs in Panyagor makes a significant contribution to the local economy. The NGOs are as follows:

Name of organization	Type of program	Number of local employees	Remarks
CARE	Food security	61	
Save the Children	Education	28	
SMC	Health/PHC	155	
JARRD/CEAS	Education	5	
CEAS	Education, water & sanitation	130	
WHO	Polio eradication	6	
WFP	Relief & rehabilitation	6	Newly opened
NSWF	Women empowerment	7	

J2. Trade Links

Panyagor has the biggest cattle market in the county and has attracted people from Ayod and Waat to bring in their cattle. Meanwhile, some commodities are accessed from the main Bor town, which is under GOS control. However, Bor town relies on air transport for supplies from Khartoum, making the price of goods very high.

The few fabrics and basic commodities available in Panyagor market come from Uganda via Yei and Yirol, a long route that appears to be time consuming and full of risks. Lokichogio, in Kenya is nearer than Uganda, but roads are in bad conditions and unsafe. Therefore, no truck owner is ready to take that risk. Some goods do arrive by air from Kenya, but with no significant commercial value since plane hire is extremely expensive for the businesses in Panyagor to afford.

CEAS is running a program called “Bush Shop.” The objective of this program is to reduce the problem of relief dependence by involving people in business. The other objective is also to improve wholesale services. The Bush Shop delivers goods to business on a cash basis. At least each payam has got an agent to facilitate the process. Although the program is still running, the traders complained of high cost of goods from CEAS. For example, a 50 kg bag of sugar costs Kshs2,500 in Kenya; but CEAS sells it at Kshs. 4,500 in Panyagor.

Currencies. The currencies used in Panyagor are the Kenyan shilling, Sudanese dinar, and the US dollar. The problem underpinning money circulation in the area is the absence

of smaller notes of 1, 5, 10 and 20. The 50, 100 and 200 notes exist, but very few. Traders from neighboring Ayod and Waat created another problem because they do not accept the Kenyan Shilling and they do not take home any goods from the county, which serves to pull Sudanese dinars out of circulation. They normally collect the Dinars from the sale of their cattle and take the cash to Malakal (a GOS controlled region) for more business. Previously, Kapoeta provided a source of dinar, but that stopped after the SPLA took over the town. As a result, at times the dinar shortage, coupled by a lack of small denomination notes, brings the business transactions in Panyagor to a halt.

The Sudanese Dinar which always behaves according to the mood of the local market, traded against the foreign currencies on the day of the visit as follows:

- US\$1 = 280 Dinars
- Ksh1 = 4 Dinars

J3. The Microenterprise Sector

The market in Panyagor is still in the process of essentially starting from scratch. According to people interviewed, the actual market was only created in October 2002 and it started in the open air. Recently, a few traders began putting up grass-thatched shelters. However, the majority of the traders still conduct their business transactions under the trees. The market doesn't offer a wide variety of goods yet, except basics goods and fabrics with extremely high prices. The main activities are:

- Retailing (second handed clothes and shoes, sugar, and other assorted items)
- Servicing (bicycle repair, restaurants, tea shops and tailoring)
- Manufacturing (local brews)

The following table depicts the number of businesses physically counted as distributed by gender and sector:

Gender	Trade	Service	Manufacturing	Total	Percent
Female	0	2	1	3	7%
Male	28	11	2	41	93%
Total	28	13	3	44	

K. Pagak Payam Profile

Pagak is located in the east side of Upper Nile region and falls under Maiwut County. It is bordered by Ethiopia in the east and south, Kigile in the north, Jotome in the west, and Maiwut in the northwest. Pagak has been free from GOS control since the civil war broke out in 1983. However, in the early 1990s, the SPLM lost the area to the SPDF, a breakaway group comprised mainly of the Nuer tribe and headed by Riak Machar. With

the SPDF re-integration into the main SPLM/A in January 2002, the whole county once more became part of the SPLM administered area.

Climate. The area is flat and very fertile. Annual rainfall begins around May and ends in November, although the rains hadn't started by the time the survey team visited in May. The area is hot during dry seasons (December to April) with temperatures rising to over 40 degrees centigrade, and cools during rainy seasons. Pagak has rich vegetation which is good for agriculture with two harvest seasons.

Population. Currently there are no accurate figures to show how many inhabitants live in the area. Due to the insecurity experienced in the past from GOS-sponsored militias, many people have not been able to return back home. Hence, the demographic figure available is approximately around 10,000 people.

The Political and Administrative Setup. Pagak payam falls in Maiwut county. The administration setup of the county is similar to other counties visited by the survey team, and most of the political and administrative structures are in place. The headquarters of the county is in Maiwut, but at the time of the survey, the commissioner who heads the county was temporarily based in Pagak. The county is divided into payams, which are headed by administrators. At the bottom of the structure are bomas, headed by head chiefs. The other payams in Maiwut county include Yambura, Pagak, Pinythor, and Nguankey. There is an SSRC secretary for the region based in Pagak market.

The security Situation. Maiwut County has not suffered aggression from the GOS that has been typical of most South Sudan areas since 1983. However, since the early 1990s and up until 2002, the area has been under the control of SPDF, as mentioned above. Although the area wasn't prone to Antenov bombings, it suffered insecurity caused by GOS-sponsored militia attacks and occasional attacks by Ethiopian rebels due to its proximity to the Ethiopian border.

The SSRC secretary assured the team that since the beginning of this year (2003), the security situation has improved tremendously which is manifested in the increased number of people setting up businesses in the area and the few NGOs that are starting operations in Pagak. We were informed that the market in Pagak is the biggest in the county and possibly the region too. There is an SPLA training camp near the market which is a boost to security in the area.

Judiciary. At the boma levels, the judicial system is managed by the head chiefs and sub-chiefs. At the levels of payam and county, the judiciary is headed by the magistrate at the bench courts. Bench courts are used by the bomas as a court of appeal. Customary laws are applied at the bomas, while the general legal systems is applied at the payams and the county level.

Transport. One of the major problems faced by traders in Pagak is transport because the area generally has a very poor road network. There are very few roads leading to Maiwut

and on to the Ethiopian border towns of Kuergeng, Gambela and Itang. There is no public transportation and most people walk to the various markets. Occasionally, traders will use military trucks to carry their commodities between markets.

During rainy seasons many bridges are carried away by floods. As a result, traders are forced to carry their items by boat or on their heads to cross the rivers. As such, trading in the area during rainy seasons comes to a stand still.

K1. Economic Activities

The main economic activities in Pagak are livestock, crop production, and fishing. Crop production includes sorghum, maize, and roots and tubers. In a good year, the area has three harvesting seasons. Fishing is done at a small scale along the Sobat, Jikou, and Law rivers and other swamps.

Although, the area has some rivers such as the Sobat which runs throughout the year, irrigation is not carried out along the river. Most farmers use small containers to water their crops.

NGOs and Other Institutional Activities. Pagak, unlike other regions in South Sudan, has very few international NGOs due to the insecurities in the past. There are only two international NGOs based in Pagak, the International Rescue Committee (IRC) and ACCORD. When the survey team visited, Action Against Hunger, another international NGO, was in the area assessing the availability of water for a nutrition/feeding programme.

IRC supports primary healthcare and the drilling of boreholes, while ACCORD deals with livestock. These NGOs first started their activities in Maiwut in 2000 and later moved to Pagak in 2001 owing to insecurity in Maiwut. There are also two indigenous organizations, the Gajaak Relief and Development Organization (GRDO) and Latjor Development and Relief Organization (LDRO), that deal with education, relief and peace.

K2. Trade Links

The market in Pagak started in 2002, although most of the businesses relocated from Maiwut owing to insecurity. Traders are quite mobile and will operate in the location that they deem most secure. Most basic items such as soap, clothes, Ethiopian beer, salt, pasta, and batteries come from the Ethiopian towns of Kuergeng (three hours walking distance), Gambela, and Itang. The Ethiopian border is ten minutes walking distance from Pagak market. In return, the people of Pagak take livestock, honey, and dry fish to Ethiopia.

Before the war, people used to get commodities from Maban and Jikou but as a result of the war nothing comes from Maban and Jikou because Maban is under the control of the government of Sudan and Jikou is under SPLA. Hence, they have no linkz to trade areas.

Traders walk to Ethiopia carrying goods on their heads but occasionally they will get a ride on the military trucks that purchase supplies from Ethiopia.

Although trade does take place within the border towns, there is no customs duty or tax paid to the administration. Taxation is there as a rule but has not been implemented, with the reason being that most traders sell few items and secondly because the business in the area is still picking up so the SRRC wants to encourage business growth. The rule is to tax 10 Ethiopian Birr per business per month, but the SRRC is holding implementation until the market grows.

Currencies. The currency used in the payam is primarily the Ethiopian Birr, as well as a few US dollars usually from people visiting the area. The exchange rate is 7 Birr to 1 US dollar.

K3. The Microenterprise Sector

The market in Pagak is regarded as the biggest in the county. However, all the businesses in Pagak are very small and can be categorized as micro businesses. All the businesses operate in temporary grass thatched/walled structures. The survey team only found eleven existing kiosks, with 22 more under construction. According to the SRRC officer, more traders from Maiwut and Ethiopia may be coming in now that the area is peaceful. The main commodities sold in the market include salt, soaps, clothes, sodas, beer, match boxes, dry battery cells. Most of the businesses in the area are run by men with a small number of women in the services sector. Out of the eleven businesses operating in Pagak, five are run by Ethiopians.

The table below shows the number of businesses:

	Trade	Manufac.	Service	Total	Percent
Male	4	1	3	8	73%
Female	1		2	3	27%
Total	5	1	5	11	

L. Ayod County Profile

Since the 1980s, Ayod had been under the control of SPLA after the defeat of the GOS army. For a long time, Ayod was under the control of the SPDF until the recent unity deal made by the SPDF and SPLM/A. Currently, Ayod is under the SPLM leadership.

Ayod is located in the central Upper Nile region, bordered in the north by old Fangak, Bor in the south, Waat in the west, and it shares its western border with upper Nile. Ayod county has seven payams, including Ayod, Wau, Mogok, Pagil, Haat and Turkey canal

Climate. Even though rainfall measurement is unknown, Ayod gets sufficient rain between May and November. Some parts are savanna grasslands and some parts are

densely forested areas. The weather varies from cold, cool, and hot based on the seasonal changes.

Population. Since there has been no accurate census done for years, the approximate population in the whole county is more than 100,000 people.

Security. The area has been prone to GOS-sponsored militia attacks which have been a menace in areas surrounding Ayod but never Ayod itself. Currently, with all conflicts resolved, people are enjoying a relatively peaceful existence among themselves and with their neighbors. Ayod town has never had problems with GOS bombings which is the reason for the large settlement of people in Ayod town.

There had been a lot of clan and cattle conflicts between the Gawar and Lou communities until last year, when they were able to settle their differences. This had kept all NGOS out of Ayod, but a number of them are now interested in moving in.

Judiciary. At the Boma levels, the judiciary system is conducted by the head chiefs and their sub-chiefs. At the payam and county levels, the judiciary is headed by the Magistrate at the Bench courts. Head chiefs are using customary laws at the Boma level, and at the payam and county levels, the Magistrate is applying general legal systems. Bench courts are used as appeal courts by the Bomas.

Transport. Transportation in Ayod is on foot from county to county except when military vehicles are used. Air transport is currently the only means to access the area. OLS closed the airstrip when the survey team was on the ground, terming it dangerous to land, which resulted in temporarily stranding the survey team. So there are no current OLS flights to Ayod during this rainy season. Due to this, the area is isolated at the moment.

L1. Economic Activities

The main economic activities in Ayod are cattle rearing, fishing, and cultivation. The main crops grown in the area are maize and sorghum. When they have a good harvest, residents sell food in Bor and Lou. In the past, there was a lot of trade in livestock to Malakal, but now banditry on the way has prevented movement of cows.

There is a lot of fishing done in Toich. Fish is then sold in Bentieu, Rumbek, and Yirol. Poor road networks and lack of public transportation hamper the transport of fish and other farm products to the markets. Even though people talk of the presence of certain natural resources, no concrete discovery had been made.

NGOs and Other International Institutions. There are no NGOs based in Ayod payam. However, Medair operates a mobile clinic every two months. Save the Children UK has a compound in Wau payam dealing with agriculture, including the distribution of seeds and farm tools.

L2. Trade Links

There is minimal trade in dried fish, cattle, and the surplus farm produce to areas like Malakal, Bentiu, Rumbek, Leer, Yirrol, Bor, Waat, and the old Fangak areas. In return, traders bring in commodities like clothes, soaps, salt, radios, etc. Local brewing of alcohol is dominant among the women.

The market in Ayod town is very temporary. No structures have been constructed and people operate in the open air. The businesses were extremely small, and most had stock worth less than US\$ 5-10. There were many women who displayed cooking pans used for making traditional pancakes, although the fires weren't lit and no buyers were in sight. It gave an impression of a display rather than a vibrant market.

In total, 146 business people were counted. We were informed that most of the alcohol brewers had relocated to the swampy areas due to shortage of water in the area. The businesses pay 5,000 Sudanese dinar as a license fee mostly for businesses dealing in clothes and fish.

Almost all the businesses in Ayod town are mainly trade which can be categorized as microenterprises. Most traders sell basic items such as clothes, soaps, salt, and food with the greatest number of women in the manufacturing sector, i.e. brewery and foods. The survey team counted 146 businesses in Ayod town.

The table below shows the breakdown of the businesses:

	Trade	Manufacturing	Service	Total	Percent
Male	115	1	1	117	80%
Female	6	8	15	29	20%
Total	121	9	16	146	

Currency. The area is multi- currency. Sudanese and Kenyan currencies, as well as the US Dollar are in use.

ANNEX 1

TYPES AND AMOUNT OF TAXES LEVIED BY THE SPLM GOVERNMENT

	TAXES	AMOUNT Per Annum
		Ushs.
	Gibana Tax	3 percent
	LICENCES	
1	Bar	30,000
2	Mechanic Workshop	30,000
3	Electrician	30,000
4	Sawmills/carpenters/Mason	20,000
5	Painter	20,000
6	Blacksmith/Bicycle Repair	30,000
7	Tailor	30,000
8	Slaughter House	20,000
9	Kiosk	20,000
10	Market Stalls	9,600
11	Hair Dressing	6,000
12	Bakery	20,000
13	Cottage Industries	72,000
14	Timber Logging	72,000
15	Motor Vehicle Garage	72,000
16	Clinic/Pharmacy	72,000
17	Restaurant	48,000
18	Bar	48,000
19	Bar – Native Brew	24,000
20	Lodge & Video Halls	24,000
21	Night club	48,000

ANNEX II: BUSINESS POPULATION BY GENDER, SECTOR AND COUNTY

COUNTY	TRADE		SERVICE		MANUFACTURING		TOTAL	RATIO	
	Male	Female	Male	Female	Male	Female		Male	Female
YEI County	846	92	292	233	285	81	1,829	78%	22%
Maridi County	208	106	22	145	23	17	521	49%	51%
Yambio	320	94	113	159	120	70	876	63%	37%
Rumbek	674	285	201	652	236	444	2,492	45%	55%
Thiet - Tonj	177	46	129	152	93	129	726	55%	45%
Narus - Kapoeta	82	5	7	16	2	6	116	78%	23%
Kapoeta	5	0	0	0	0	0	5	100%	0%
Chukudum - Budi	16	0	0	1	0	0	17	94%	6%
Natinga - Budi	14	0	0	1	0	0	15	93%	7%
Totals	2,342	628	764	1,359	759	747	6,597	59%	41%