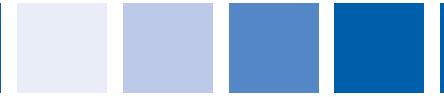


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Sharpening our focus

In January, the Government of South Sudan shut down its crude oil production after they failed to reach an accord with Sudan over oil transit fees. The decision was not an easy one for a country emerging from civil war and conflict, while just beginning the process of nation building. Moreover, ninety-eight percent of South Sudan's revenue is dependent on oil, which means that the country will face significant challenges in continuing along the development trajectory outlined in the South Sudan Development Plan.

"We are living in a time of austerity. As the UN, we were obliged to re-prioritize our development support to the South Sudan Development Plan" stated Ms. Lise Grande, Deputy Special Representative to the Secretary General, UN Resident and Humanitarian Coordinator, and UNDP Resident Representative. "This will enable us to address the most important priorities during a prolonged austerity. We have sought to safeguard frontline service delivery in the areas of health, education, water and sanitation. We will continue to reinforce core

governance functions and prevent escalation of violence."

UNDP has been working in all levels of Government to build capacity. Due to the current situation, UNDP has refocused its efforts to concentrate on supporting the Government in specific, core functions including planning and financial management, oversight and accountability, conflict prevention and rule of law. Reprioritizing programming was not easy for UNDP, but by focusing on the core functions we are working to prevent backsliding on the progress made since the CPA and ensure that when the country emerges from austerity, the key building blocks are still in place.

Governance

Planning, financial management and accountability are even more critical during tight budgets to ensure resources are used in the most efficient manner. UNDP will continue supporting the Government in developing the planning, budgeting and financial management capabilities through the cadre of embedded senior advisors in the Ministry of Finance and Economic

Planning (MoFEP) that provide high-level technical advice. Currently, UNDP is working with the Ministry to develop a central budget for the coming year, which will take into account the austerity measures, prioritize aid funding, and ensure the mechanisms needed for the most effective use of funds are in place.

At the state level, UNDP will maintain its focus on building the capacity of state revenue authorities and finance ministries to increase the non-oil revenue share of the budget and improve management of resources. In the past year, UNDP revenue specialists have made progress in each state by assisting state governments in establishing revenue generation structures, systems and procedures. In five states alone, the new tax collection mechanisms increased revenues between 75 percent and 360 percent – this will help communities endure the austerity period.

An important component of UNDP's programming is ensuring that the accountability, oversight and audit functions that have been established remain. UNDP will redouble its efforts

with Government counterparts at the central and state level to improve accounting, budget execution, financial management and audit procedures as these capacities will help utilize the remaining resources appropriately. By sharpening our programme focus, UNDP aims to not only help the Government get by during the austerity period but will also help build a solid foundation for the future.

Providing surge capacity at national, state and local levels to rapidly boost the functioning of the civil service is an innovative, constructive and cost-effective approach to statebuilding. UNDP launched the IGAD initiative, which brought in Civil Service Support Officers (CSSOs) from neighbouring Ethiopia, Kenya and Uganda and deployed them to key Government commissions and ministries at the central and state level. With austerity measures in place, it is critical to have support from experienced civil servants who can advise their counterparts on operating during budget uncertainties. Moreover, CSSOs in the health sector have provided life-saving services and have ensured that state hospitals can still serve the population. For example, during recent conflict on the border, the doctors and nurses who were deployed through the IGAD initiative to the state hospital in Bentiu kept the hospital working and enabled local government to continue service delivery.

Economic Development

During this time of reprioritization UNDP will zero in on improving land



management. Effective land management will have a two-fold impact, it will help address food security as returnees will have plots to return to, but it will also help prevent inter-communal conflict as returnees will not be competing within their communities of return for already scarce resources. UNDP is supporting the State Ministries of Public Infrastructure in five states with high returnees to survey and demarcate plots as well as establish a land registry system.

Social and Human Development

UNDP will continue to serve as the Principle Recipient of the Global Fund to Fight AIDS, Tuberculosis and Malaria, distributing funds to implementing partners to support prevention efforts and provide care and treatment to people with HIV/AIDS and Tuberculosis. Being able to maintain health services to vulnerable sections of the population is critical especially if the Government is constrained to provide life-saving medical services. Despite austerity measures, the Ministry of Health with support from UNDP and the Global Fund will also be able to continue strengthening the health system. Along this vein, UNDP will be exploring social protection mechanisms, like a cash transfer programme, which would provide a monthly stipend to families with children. Measures like these will make a substantial difference in mitigating poverty, especially if austerity persists.

Conflict Prevention

UNDP is committed to supporting the Government in their efforts to prevent conflict. Given austerity as well as the recent conflict along the border, UNDP

will centre efforts on our Community Security and Small Arms Control project. The innovative CSAC method of facilitating dialogue between communities and local government to find local solutions to security issues is even more critical during tight times. This approach empowers communities to voice their concerns to government which will help maintain state authority, legitimacy and trust.

Rule of Law

Within UNDP's comprehensive rule of law programme, we are directing resources towards our Access to Justice and Police and Prisons projects. These projects focus on core governance areas that the Government, with support from UNDP, has made significant progress on over the last few years. These functions are important to maintain state legitimacy and support from the population for austerity. UNDP has Rule of Law specialists and Law Enforcement Advisors who support their Government counterparts in strengthening the rule of law, harmonizing customary with statutory law, and delivering frontline policing services.

Although South Sudan is facing austerity measures and a complex political environment, UNDP is focusing in on the programmes that will have the most impact and maintain the significant progress the nation has made since the signing of the CPA. It is our hope that by safeguarding frontline service delivery and reinforcing core government functions that we will be able to prevent regression and the new nation will emerge from austerity with the needed systems and institutions in place to stand up and take off. ■



Increasing non-oil revenues – the experience of Eastern Equatoria

The state government of Eastern Equatoria, like the nine other states, is dependent on grants from the central government to finance basic service delivery and core functions. Approximately 90 percent of its budget comes from the central government, while the state contributes the other ten percent from locally generated sources.

Given the need to boost the state's overall resources as well as increase non-oil revenue, UNDP deployed Lillian Mageto, a statistician from Kenya and Elvis Walemba, a finance specialist from Uganda to the state Ministry of Finance, Trade and Industry. Lillian and Elvis worked closely with the State Revenue Authority, which is overseen by the Ministry to generate local revenue, improve overall tax administration and reduce dependence on national grants. This work is even more critical now with the central government's current budget situation.

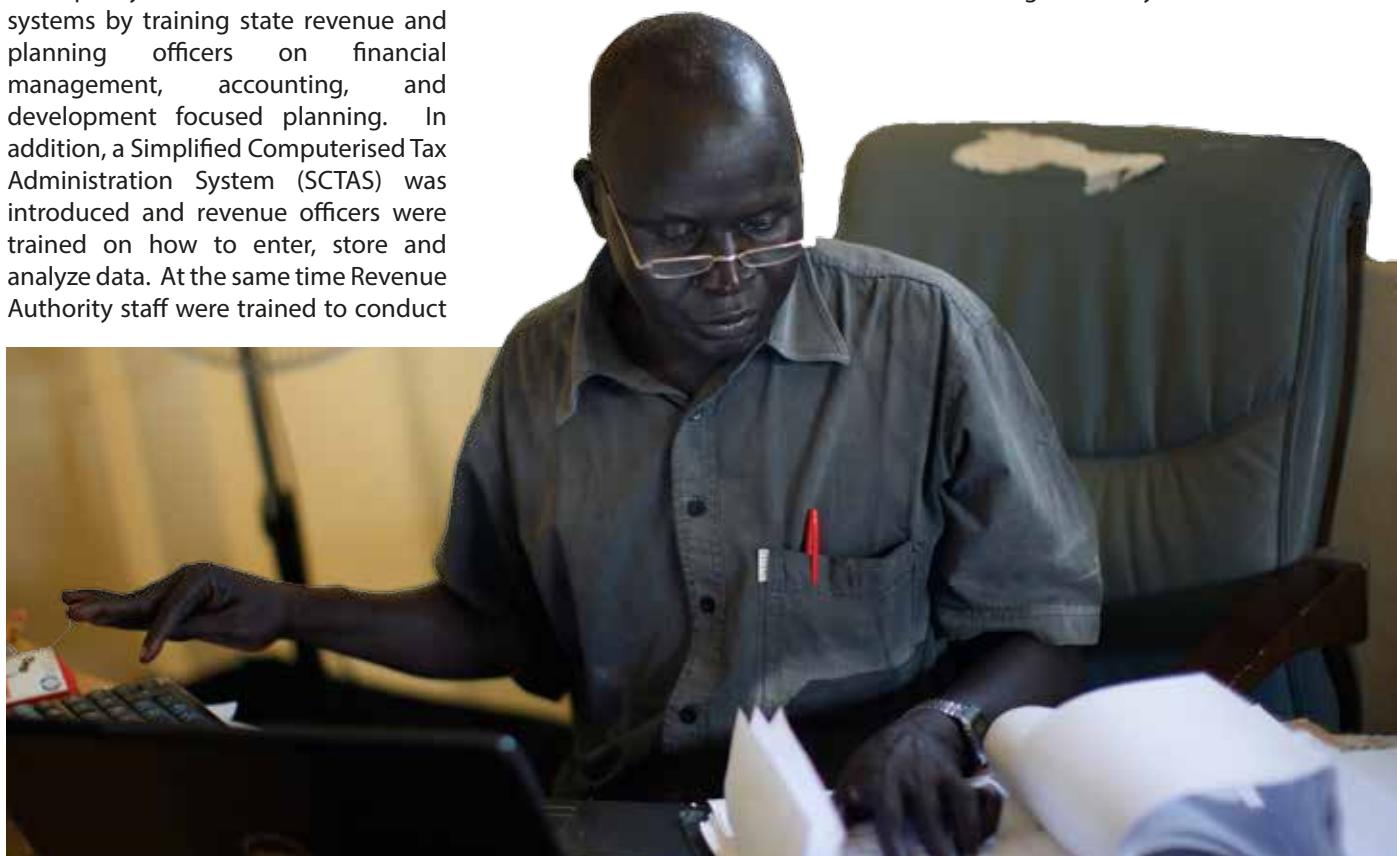
In partnership with the Capacity Building Trust Fund and the Institute of Tax Administration, UNDP strengthened the capacity of local revenue collections systems by training state revenue and planning officers on financial management, accounting, and development focused planning. In addition, a Simplified Computerised Tax Administration System (SCTAS) was introduced and revenue officers were trained on how to enter, store and analyze data. At the same time Revenue Authority staff were trained to conduct

taxpayer education campaigns to raise awareness and provide information on the new initiatives.

This combination of trainings and awareness raising campaigns meant that state tax officers understood the local revenue collection system and the Revenue Authority had the capacity to collect, plan, monitor and report revenue, which lead to a transparent system. The hard work paid off. Since the establishment of the State Revenue Authority in 2008, revenue coming into the state government's accounts has been growing dramatically. In 2009, Eastern Equatoria collected SSP2.8 million. Revenue increased by 178 percent to SSP7.9 million in 2010 and by 104 percent in 2011, bringing in SSP16.1 million to the State. Encouraged by the steady growth, the Revenue Authority has also strengthened its internal controls system, streamlined revenue collection by closing down unlawful collection centres and is regularly monitoring progress and compliance.

UNDP has also embedded finance and revenue specialists in the states of Central Equatoria, Jonglei, Lakes, Northern Bahr el Ghazal and Western Equatoria where revenue collection has increased by 106 percent, 128 percent, 189 percent, 360 percent and 100 percent respectively in the past year. These experts have introduced legal frameworks, revenue collection guidelines, accounting procedures and have strengthened the financial management and planning at the state level. Moreover, all ten states completed annual workplans, budgets and appropriation bills with support from UNDP specialists embedded in the state ministries of finance.

These additional resources, as well as improved planning and financial management is critical for the state governments to become increasingly self-reliant, address the needs of their communities and manage limited resources, particularly during this period of austerity. UNDP will continue to work with the state and local governments to ensure systems are in place to support the states through austerity. ■



Reintegrating communities

Economic development is critical to help reduce conflict, build a stable state and empower communities, particularly now given the current austerity context and the need to foster non-oil revenues. However, it can be difficult given the lack of basic infrastructure, weak institutions and insecurity. These challenges have also been exacerbated by the large number of returnees that have come back to South Sudan. Since October 2011, nearly 400,000 people returned to their homeland with many settling in Northern Bahr el Ghazal, Unity, Upper Nile and Warrap states.

In urban areas, the sudden influx of returnees meant that settlements with little planning grew rapidly, stressing already weak public utilities, running the risk of overcrowding and posing potential health concerns. Meanwhile, disputes over land contributed to inter-communal conflict in rural areas and complicated land management for all states.

To assist the states in proactively addressing these challenges, UNDP in partnership with USAID and other development partners, supported the state governments in designing land management plans, acquiring basic training and equipment for urban planning, and developing a land registry database to manage the land titling process. UNDP deployed specialists through the Rapid Capacity Placement Initiative (RCPI) in urban planning and civil engineering to work side-by-side with Government to help returnees access land, reintegrate into communities and help the nation recover.

In Warrap state, UNDP's urban management specialist, Akintobi Olusanmi, assisted the Government in implementing a residential layout plan with centrally located neighbourhoods that included a primary school, water access points, a police post and even spaces for playgrounds, places of worship and small businesses. Almost 5,600 plots have already been allocated to returnees in three different communities. Following the successful plan in Warrap, Government counterparts working with UNDP in Northern Bahr el Ghazal state visited Warrap to attend trainings and receive guidance on designing their land

management system. In Aweil, Northern Bahr el Ghazal state, nearly 10,000 plots have been demarcated and the first 900 plots were allocated to families in May 2012.

These plots are surveyed using GPS and an advanced land registry systems that manages the titling process, tracks the plots, and produces land certificates which clearly delineates ownership. Although helpful from an urban planning perspective, the benefit from this process has a greater impact than clear legal ownership. "With a formal deed that is traceable people have the confidence to develop and invest in their land as they know it cannot be taken away" said George Conway, Country Director, a.i. at a recent land handover ceremony. Moreover, ownership of land can also be used as collateral for securing loans at a bank or microfinance institutions, which helps empower people to unleash their economic potential and transform their communities.

Land tenure positively influences social equity and even agricultural productivity. Secure access, use, and control of land, whether through traditional systems or legal means, is essential to protecting women and vulnerable groups from injustice related to arbitrary management of land. Women and poor people are most at risk of forfeiting their land rights. The Honourable Ronald Ruay Deng, State Minister of Finance for Northern Bahr el Ghazal stated "With the help of USAID and UNDP, we have made great progress. Land is key and management of land is key to our state's development." Ensuring people have access to land allows the state to deliver services and gives communities the mechanism to enhance their livelihoods, even during times of austerity. UNDP is committed to working closely with Government to prevent land-related conflicts, foster livelihoods, empower communities and build resilience. ■



UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. UNDP is on the ground in 177 countries and territories, working with them on their own solutions to global and national development challenges.

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